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NEWS SUMMARY

GENERAL

S. Africa in spy swap with Soviets

South Africa concluded an exchange of prisoners with the Soviet Union, announced its Premier P. W. Botha.

He said eight important intelligence officers and a young South African soldier had been released for a senior KGB officer.

Mr Botha said the exchange followed several months of negotiations between the KGB and South Africa's intelligence service, formerly known as Boss.

Poland riot move

A mile-long column of police riot control vehicles drove through Warsaw as Poles prepared to mark five months of martial law. Poland Comecon move, Page 5

Gas Bill defeat

Government plans to sell high street gas showrooms were defeated in the Lords but the Government says it will seek to reverse the decision. Page 10

Air crash: nine die

Nine people were killed when a flying club aircraft crashed into a hill near Budapest, Hungary.

Reagan snubbed

Dissident writer Alexander Solzhenitsyn declined lunch with President Reagan, apparently displeased at first hearing of the invitation on the news.

Strike call vote

Executive grade civil servants backed a call for strike action if next year's pay offer fails to meet their demands. Page 11

Lower premiums

Lower motor insurance premiums for policyholders in some areas were announced by Guardian Royal Exchange and Royal Insurance. Page 7; Commercial Union loss, Back Page

Toxteth claims

The Educational Inspectorate accused Liverpool Council of making no improvements in Toxteth likely to lessen the chances of a repeat of last year's riot. Page 9

Penlee tribute

More than 2,500 RNLI members paid silent tribute to the eight dead Penlee lifeboat heroes. Posthumous bravery awards were made by Princess Alice at London's Festival Hall.

Detective jailed

Detective sergeant Eric Wilding of Norwood Green, West London, was jailed for 21 months at the Old Bailey for bribing a detective constable.

Little reward

Eight Swansea youngsters who found the proceeds of a £24,000 Post Office raid were rewarded for their efforts with a £5 voucher each and a set of stamps.

Tusk force call

Sri Lanka is running short of elephants and is considering importing them. A census is being taken to find out how many are left.

Briefly . . .

Explorers Ranulph Fiennes and Charles Burton have been blown back towards the North Pole in "abominable weather."

National Cub Scout tea-making fortnight starts at the end of the month.

French President Francois Mitterrand is to visit London on Monday for talks with Mrs Thatcher.

BUSINESS

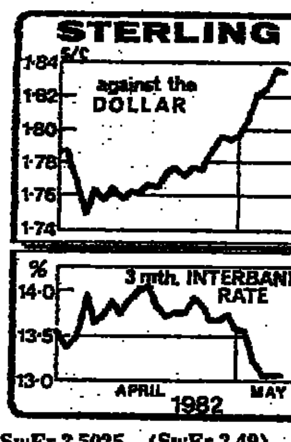
Equities off 5.4; sterling down

● GILTS continued to be restrained by the Falklands crisis. The Government Securities index closed 0.07 down at 68.94. Page 37

● EQUITIES were uncertain. The FT 30-share index, down 3.9 at 10 am, was a net 0.9 up at 11 am before closing 5.4 off at 583.1. Page 37

● WALL STREET was 7.14 up at 866.06 near the close. Page 36

● STERLING drifted in quiet trading, closing at $1.833, down 25 points, DM 4.185 (DM 4.205), FFr 10.9125 (FFr 10.94) and Y427 (Y429). It rose to



SwFr 3.5025 (SwFr 3.49). Its trade-weighted index was 90.1 (90.5) and three-month interbank rate 13.0625 per cent (13.125 six months ago). Page 38

● DOLLAR lost ground as Eurodollar rates fell and the Soviet Union bought D-marks. It finished at DM 2.2825 (DM 2.2895), FFr 5.9525 (FFr 5.9625) and Y232.75 (Y233.6). It rose to SwFr 1.909 (SwFr 1.9005). Its trade-weighted index was 111.7 (111.8). Page 38

● GOLD closed $2.5 up at $332.25 in London. Page 30

● STERLING M3 growth is in line with the Government's 8-12 per cent annual target range but private loan demand remains high. Back Page, Page 8

● MOBIL, U.S. oil company, launched a $500m Eurobond issue to finance North Sea oil and gas development. Page 33. Merrill Lynch, U.S. brokerage and investment house, arranged a $500m credit facility with 13 non-U.S. banks.

● FRENCH measures to inject about FFr 9bn (£824m) into the recently-nationalised industrial companies are expected to be announced today.

● MANUFACTURERS' output prices rose 0.75 per cent in April from March but the year-on-year increase fell to 8.75 from 9.5 per cent. Back Page

● GOLD STANDARD return by the U.S. was forecast by one of President Reagan's economic advisers. FT conference report, Page 2

● REUTERS international news organisation will pay its first dividend since 1941 following an increase in 1981 after-tax profit to £13.99m (£3.35m). Page 7

● ITT of the U.S. reported first-quarter net income at $163m (£89m) compared with $184m a year ago. Page 33

● FIAT SPA, the holding company of Italy's biggest private enterprise, lifted 1981 net profits to L97bn (£41.5m) from L51bn in 1980. Page 34

● COSTAIN, construction and development group, increased 1981 taxable profits to £47.99m (£42.55m). Page 26; Lex, Back Page

● SEARS HOLDINGS, store, shoe and betting conglomerate, raised pre-tax profits to £104m (£99.7m) in the year to January 31. Page 26; Lex, Back Page

Navy opens fire on supply ship

BRITAIN'S naval task force appears to have detached warships into Falkland Sound, which separate the East and West Falklands, as part of its continuing campaign to isolate the Argentine garrisons on the islands, writes Bridget Bloom, Defence Correspondent.

The Ministry of Defence in London announced yesterday that one of the task force frigates—believed to be of the 3,250 tonne Amazon class—had fired at an Argentine supply ship in the Falkland Sound. The Ministry was unable to say whether the supply ship had been hit or sunk.

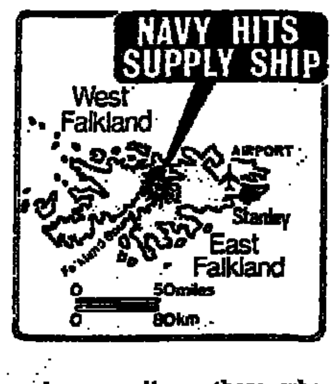
This action was held yesterday to indicate that the task force is able regularly to patrol the sound, the Port Stanley area and perhaps beyond as part of the continuing effort to enforce the air and sea blockade of the islands established 12 days ago.

British warships have also been bombarding Stanley Airport area with naval guns, although no action was reported yesterday.

British officials say most of the Argentine fleet is not threatening the task force, but there remains concern about Argentina's two German built submarines, which are believed to be patrolling near the Falklands.

Suggestions that military reservists might be called up have been denied by Ministry of Defence officials.

However, the Ministry is known to be concerned at the strains now operating on the limited number of skilled personnel in key areas, like naval communications and signals. It is apparently preparing plans to delay the demobilisation of such people,



and may call up those who have recently left.

Yesterday Argentina formed a defensive area around its fleet when it announced that it would take "hostile action"

Continued on Back Page

Prime Minister digs in on sovereignty

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET THATCHER made clear yesterday that she would not support any proposed settlement of the Falklands crisis which allowed Argentina to believe—or to claim—that sovereignty over the Falkland Islands would be ceded to Argentina within a short time.

The Prime Minister told the Commons during questions: "There are certain fundamental principles which we cannot fudge in any way.

"The ceasefire must be accompanied by a withdrawal to a specific timetable and in a comparatively short time.

"We must make it absolutely clear that the Argentine must not enter into these negotiations in the belief or on the condition that by the end of them sovereignty is ceded."

Mrs Thatcher's remarks are crucial in the light of the present talks at the United Nations in New York, where the sovereignty issue is central.

There is still no great optimism from London about chances of an early breakthrough at the UN, and Mrs Thatcher was careful yesterday to say that the "fact of negotiations does not close off any military options at all."

The signs in London are that the Government does not see the choice as simply between peace and war, but wishes to maintain the range of its options, both diplomatic and military, even if these UN talks fail.

Mr Francis Pym, the Foreign Secretary, has made plain that he wishes to keep open some diplomatic avenue, of whatever form, and that this is not incompatible with a stepping-up of military pressure if necessary.

The Government still seems to prefer a step-by-step military approach, and the view at Westminster is that a partial landing on the islands is the most likely next move.

A landing is widely expected within a few days, though it would be regarded as a stepping-up of the conflict and many MPs therefore believe a decision could be delayed until the outcome of the UN talks is clear and, especially significant, until the weather in the South Atlantic improves.

Britain will not want to be seen to undermine the UN talks and so risk a weakening of international support.

The Labour Party's desire to maintain pressure on Mrs Thatcher to continue negotiations was reflected in repeated calls

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Thatcher sets out position, Page 10
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The media battle, Page 23

UN peace efforts may be faltering

BY PAUL BETTS IN NEW YORK

Sr Javier Perez de Cuellar, the United Nations' Secretary General, yesterday continued his consultations with British and Argentine envoys in New York amid growing signs that the momentum in his Falkland Islands peace efforts was beginning to flag.

Sir Anthony Parsons, Britain's chief UN delegate, said, however, that there was no question of a breakdown in the Secretary General's efforts: "We are still at it but we still need time." Sir Anthony said that he had gone into "a lot of depth on a lot of points" with the Secretary General on Monday evening.

The major obstacle remains the issue of sovereignty over the islands, although Sr Perez de Cuellar has repeatedly stressed that his talks with the two parties continue to focus on procedural matters and not on matters of substance.

While Argentina has continued to signal an apparent softening in its earlier intransigent position that sovereignty over the Falklands was not negotiable, British officials at the UN claim that the Argentine position remains ambiguous.

The British are understood to have stressed to the Secretary-General that there is little chance of further progress in his efforts unless Argentina drops its demand for ultimate sovereignty over the islands before agreeing to negotiate.

Western diplomats expect that one way or the other Sr Perez de Cuellar's efforts will reach their climax in a matter of days. Should he fail, they do not rule out the possibility of a peace effort by another party, although they generally expect the issue to return to the Security Council.

Details of the Secretary General's proposals remain vague. He is understood to be working to establish an interim framework which would allow negotiations for a final settlement to take place. Negotiations would have a target date of six or more months to avoid the talks dragging on too long.

British officials say that some progress has been made on procedural details for an eventual ceasefire and military withdrawal. They also say that many of the problems facing Sr Perez de Cuellar's proposals for an interim administration of the islands during negotiations on their future can be overcome as long as there is genuine goodwill to reach a final agreement.

An interim agreement, they say, could be reached within hours if the Argentines made it clear they were no longer prejudging the outcome of the final settlement talks.

Sea Wolf delay under scrutiny

By Bridget Bloom, Defence Correspondent

A CLOSED session of the House of Commons Select Committee on Defence will today question Defence Ministers on controversial decisions involving weapons acquisitions for the armed services.

On the committee's agenda is expected to be a discussion of the Sea Wolf missile system, which is believed to be in operation only with two frigates in the South Atlantic, even though the Royal Navy first asked for such a defence against missiles nearly 20 years ago.

Some defence experts say that HMS Sheffield, the Type 42 destroyer which fell victim to an air-launched Exocet missile last week, need not have been lost if she had been equipped with Sea Wolf.

Others disagree, and point to what they allege is an even more serious lack of anti-missile defences. They claim that the GWS25 Sea Wolf deployed with the Broadsword class frigates cannot attack sea-skimming missiles.

The Exocet fired by an Argentine aircraft was probably launched 20 to 30 miles from the Sheffield. After dropping to just above sea level, it used the radar in its nose to home in on its target.

Many naval experts believe that only the lightweight Sea Wolf, which has also been subject to considerable delay, would provide an adequate

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Nuclear debate, Page 7

POPE'S VISIT THREATENED

The Pope's visit to Britain at the end of this month will be called off in the middle of next week if military hostilities between Britain and Argentina have not ceased by then. Cardinal Basil Hume said this last night on his return to London from Rome with Cardinal Gray of Scotland after being summoned by the Pope for talks.

Bitter EEC row over UK and farm price rise

BY JOHN WYLES AND LARRY KLINGER IN BRUSSELS

BRITAIN'S relations with her EEC partners were plunged into a bitter crisis last night after an isolated Mr Peter Walker, Minister of Agriculture, fought off unprecedented moves to push through a 10.7 per cent increase in Community farm prices on the basis of a nine-to-one majority decision.

In a tense and dramatic day of bluff and counter-bluff Mr Walker stood fast by the Government's policy of refusing to allow an EEC farm price rise until the other Nine member-States had produced a satisfactory response to UK demands for long-term reductions in payments to the Community budget.

In the end he prevailed, and Farm Ministers adjourned last night until Monday in the general expectation that the Foreign Ministers would meet in the meantime to have another crack at the British budget problem.

The solid link between the two issues, first forged by Britain in January, infuriated all other delegations, whose members complained *pointedly of* British failure to make any response to the solidarity the Nine had demonstrated during the Falklands crisis.

With Britain likely on Sunday to seek renewal of the EEC ban on imports from Argentina, some Ministers have warned here that the farm price veto could cost Britain some support.

"I am not sure that the Nine will go on with their stand on sanctions," said Mr Jan Dekoning, the Dutch Farm Minister.

Other delegations, such as the West German and the French, insisted that their backing for the import ban was not in doubt, but this did not in any way diminish their anger and disappointment at the British position. "Solidarity is a two-way thing." Herr Josef Irtl, West German Farm Minister, told journalists.

Britain's refusal to break the link between farm prices and the budget deal has now cemented a solid front among the Nine on both issues.

With West Germany setting a very hard line on the budget, the others have shown no sign of shifting from their offer, unacceptable to the British, of rebates worth £448m a year for three years.

West German officials warned yesterday that their Government would remain inflexible if, as seems likely, the Foreign Ministers meet on Sunday.

But the Government reaffirmed yesterday that a long-term deal remained its objective in a statement denying yesterday's Financial Times report that it was interested in negotiating a 12-months arrangement.

The Foreign Office said that "no such formal proposal has been put to us, nor considered, let *alone agreed to.*"

It was confirmed in Brussels that Mr Francis Pym, the Foreign Secretary, showed interest in a 12-month arrangement after M Gaston Thorn, the President of the European Commission, tabled an informal proposal along these lines at last Sunday's Foreign Ministers meeting in Belgium.

But Mr Pym made clear that a much larger rebate than the £448m on offer for 1982 would be needed to secure British agreement.

It is also clear that the UK would need explicit assurances that a longer-term curb on its payments to the EEC budget would be negotiated some time in the next 12 months.

The anxiety of the other Nine to secure farm price increases was demonstrated unusually yesterday in moves to steam-roller a package through over British objections. Some delegations were even prepared to abandon the hitherto cherished "Luxembourg compromise."

Dating back to 1966, this device enables any member-state to require unanimity on an issue if it pleads that its vital national interests are at stake.

Mr Walker warned yesterday that he would use the compromise to block a vote on the package. But this did not stop Mr Paul de Keersmaeker, the Belgian chairman, from beginning a summing-up which looked suspiciously like the conclusion for a Council of Ministers decision.

After further protests from Mr Walker an adjournment was called, during which some Ministers sought authority from their national capitals to try to override the Luxembourg compromise.

Denmark, Greece and France all refused to take this route.

In the early evening the European Commission appeared to put its shoulder behind the *package with what Mr Walker* called "a foolish and stupid little device" aimed at securing adoption of the necessary regulations implementing the price package next Monday.

But this was doomed to failure by the reaction of Britain and of the Danes, Greeks and Dutch.

Editorial Comment, Page 24
ACP countries seek pledges, Page 30

£ in New York

—	May 11	Previous
Spot	$1.8285-8300	$1.8330-8360
1 month	0.29-0.34 pm	0.32-0.37 pm
3 months	0.64-0.69 pm	0.74-0.79 pm
12 months	1.80-1.90 pm	2.30-2.40 pm

Argyll buying Allied Suppliers

BY RAY MAUGHAN

SIR JAMES GOLDSMITH has agreed to sell Allied Suppliers, his last major business in the UK, to Argyll Foods for £101m. Argyll has a stock market valuation of £44m at a suspension price of 104p per share and is financing the acquisition through an offer for sale of 95m of its own shares by tender.

The deal is conditional on a clearance from the Office of Fair Trading. Argyll's last substantial acquisition was blocked when the £87m bid for Linfood Holdings was referred to the Monopolies' Commission.

Meanwhile, Sir James, whose main business interests are in the U.S., has already embarked on the latest stage of the take-over of Diamond International on terms which value the New York-based forestry products group at $670m (£236.5m). The quoted Hong Kong group in *which Sir James is the principal* shareholder, General Oriental, announced yesterday that it is to launch the agreed offer for the outstanding 60 per cent of Diamond through a new subsidiary formed in the U.S.

Allied Suppliers was the largest food retailer in the UK with sales in excess of £200m annually when Sir James's Cavenham Group launched its bid 10 years ago.

If the merger goes through, the combined group would rank fourth in the UK retail grocery market with sales of £1.1bn and a 5.3 per cent share of packaged food sales. J. Sainsbury leads the market followed by Tesco and Asda.

Argyll has discussed the proposed deal with the OFT and expects to hear its decision by the end of this month. Provided approval is given, the prospectus for the offer for sale will be published on June 7.

Samuel Montagu, the merchant bank advising Argyll, said yesterday that the tender would have an upper and lower limit in view of the controversy surrounding the recent tender offer for Amersham International.

Accordingly, Argyll is issuing 95m new ordinary shares at between 85p and 100p to raise between £81m and £95m. The balance of the purchase price, depending on the success of the issue, will be provided by loans from Samuel Montagu and Midland Bank.

Explaining the proposals yesterday, Mr James Gulliver, Argyll's chairman, said that Allied provided a "unique opportunity" to buy an established national grocery multiple retailer with a total sales area of almost 4m sq ft.

Goldsmith U.S. move leaves field clear for Argyll, Page 7
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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES						
Akroyd & Smithers	211	+ 8		Barr and WAT	64	— 6
Ash and Lacy	325	+ 10		British Home Stores	163	— 7
Capper-Neill	62	+ 4		GKN	167	— 4
Glaxo	663	+ 18		ICI	322	— 4
Home Charm	178	+ 10		Land Securities	287	— 5
Hunting Assed	242	+ 7		Lloyds Bank	400	— 8
King and Shaxson	95	+ 8		Plessey	423	— 5
Lucas Inds	194	+ 7		Sainsbury (J.)	600	— 10
Molins	152	+ 8		Scottish Newcastle	60	— 3½
NSS Newsagents	190	+ 8		Smith and Nephew	128	— 4
Smiths Inds	353	+ 6		Standard Chartered	645	— 13
CRA	190	+ 10		Turner and Newall	65	— 4
MIM Hldgs	202	+ 6		Utd Scientific	378	— 12
Oakbridge	83	6		Whessoe	98	— 8
FALLS				Whitbread A	108	— 7
				BP	312	— 4
				Shell Transport	414	— 6
				Kitchener	60	— 4
				Messina	230	— 10
BAT Inds	458	— 12		RTZ	438	— 16
BICC	340	— 7				

CONTENTS

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Italian unions and employers near pay clash

BY RUPERT CORNWELL IN ROME

ITALY'S employers and trade unions seem set for a head-on confrontation over pay and automatic wage indexation, which could place further strains on the fragile five-party coalition headed by Sig Giovanni Spadolini, the Prime Minister.

The battleground will be the new, three-year wage contracts due to be drawn up for more than 9m Italian workers before the summer break, and particularly the negotiations with the 1.5m metal and engineering workers, which traditionally set the pace for every industrial sector.

Sig Vittorio Merloni, head of Confindustria, insisted at the annual meeting of the Employers' Association yesterday on industrialists' refusal to begin talks on new contracts, unless they were part of an overall package to keep the growth of labour costs below the agreed ceiling of 16 per cent for 1982.

This, in turn, means that the employers will insist on a substantial weakening of the impact of the *scala mobile* system of wage indexation, an issue which the unions adamantly refuse to discuss.

In a tough keynote speech Sig Merloni, emboldened by his unanimous re-election this week to a further two-year term as Confindustria president, declared that things could not continue as before if Italy was to reduce unemployment, revive its economy and maintain its place among the leading industrial nations.

The background to the dispute is the complete failure of the talks between the two sides of industry and the government on holding down labour costs.

On that occasion the employers — many of them against their better judgment— agreed not to revoke unilaterally the 1975 *scala mobile* agreement, in order to give the country's first non-Christian Democrat prime minister in 35 years a chance to secure a compromise.

That, however, has proved impossible. It now looks probable that, barring unexpected concessions by the unions, the employers will pull out of the indexation agreement.

But the unions are already threatening that, unless serious talks on new contracts start immediately, they will stage industrial action in key sectors.

Neither side appears to have much room for manoeuvre. While the employers stress that industry cannot afford contracts which would entail a real growth in incomes when output is stagnant, the union leadership is under intense pressure from its rank-and-file, which wants more jobs and real pay increases.

Not least alarming for Sig Spadolini are the disagreements within the government, once again between the Christian Democrats and Socialists.

The latter, in the persons of Sig Beniamino Andreatta, the Treasury Minister, and Sig Giovanni Marcora, the Industry Minister, broadly share the views of Confindustria. But the Socialist ministers, most notably Sig Gianni de Michelis, the Minister for State Shareholdings, favour an immediate start to contract negotiations, irrespective of agreement on other issues.

Hungary to receive further BIS loans

By Peter Montagnon, Euromarkets Correspondent

WESTERN central bankers meeting at the Bank for International Settlements yesterday agreed to provide further short-term financial assistance to Hungary bringing the total of such loans granted over the past six months to more than $300m.

This figure, which emerged after yesterday's meeting, is understood to include the $200m short-term credit which was reported last week, but it also suggests that further considerable help has been provided discreetly by Western central banks over the past few months.

The funds are intended to bridge the gap between now and such time as Hungary is actually able to draw on the International Monetary Fund.

Hungary's external finances have come under acute pressure recently as the Polish debt crisis has led commercial banks into a position of extreme caution on all lending to Eastern Europe. Hungarian officials have complained they cannot raise medium-term loans and there have also been reports of short-term credit lines being cut back.

But what is still uncertain is the degree to which support from Western Central Banks and IMF membership will prompt commercial banks to resume normal business relations. While commercial bankers have welcomed Hungary's admission to the IMF, they also point to Hungary's heavy indebtedness and lack of progress on resolving Poland's debt problems as continuing grounds for caution.

Trends towards provincialism 'threaten Nato'

BY IAN DAVIDSON

A COMBINATION of political will and clear thinking about military priorities are among the ingredients needed to "bring the arms-control instrument back into the service of security," says the International Institute for Strategic Studies.

The Institute, writing in Strategic Study*, its annual review of security trends, said that such a path would be a difficult one to tread. "Even the technical complexities would remain formidable and negotiations, far from promising the quick results that political impatience demands, would be a drawn-out and difficult process."

The Institute also warned of what it saw as a growing crisis within the western alliance, which is in danger of being "undermined by the trend towards provincialism in the public mood on both sides of the Atlantic."

But it saw "no indications that nuclear deterrence would cease to be effective in discouraging direct conflict between the Soviet Union, the U.S. and the respective allies, nor that nuclear conflict was becoming any less unlikely than it had been during most of the nuclear age."

The Institute said that if the differences in public attitudes on the two sides of the Atlantic went unchecked, they would have profound consequences for the alliance's ability to function as a structure of co-operation and international order.

Arms control, the most concrete form of East-West security communications, was now affected by a conceptual and political crisis. The conceptual crisis was caused by uncertainty over what military security required, particularly in the nuclear field. In order to regain public acceptance of nuclear deterrence, and to provide a clearer conceptual basis for nuclear arms control, it would be necessary to re-define criteria for strategic stability, and to identify the minimum requirements for effective deterrence.

The Institute believes there may have been a shift in Soviet doctrine away from an early use of theatre nuclear weapons in the event of war in Europe.

"The Brezhnev years appear to have seen a new debate on how far the USSR needed to structure her theatre forces to cope with contingencies below the level of general nuclear war. In particular, Soviet military literature has increasingly discussed the possibility that a conflict in Europe could involve a prolonged—indeed perhaps indefinite—conventional phase of operations."

Some analysts, it says, still believe that the most likely Soviet course would be an early pre-emptive nuclear strike, directed primarily at Nato's theatre nuclear forces.

"Other analysts, however, see good reason to believe that the USSR has, in fact, become increasingly convinced of the possibility, and even desirability, of withholding nuclear strikes for as long as possible . . .

Although the stress on pre-emption remains, some Soviet military writing have begun to suggest that this requirement might be met, at least in part, by conventional rather than nuclear strikes.

"It is, of course, impossible to know with certainty how a Soviet leader (or any other, for that matter) would behave when faced with choices of this sort. On balance, however, it does appear that the Soviet Union has attempted to think through options which do not involve early use of nuclear weapons in the European theatre, and at least to some extent has procured conventional capabilities which make such options plausible."

* *Strategic Survey. International Institute for Strategic Studies, 23, Tavistock Street, London WC2. £4.50.*

Ministers clash on protectionism at OECD meeting

PARIS — Industrial nations differed on policies to combat protectionism and promote flagging world trade at a meeting in Paris yesterday.

The differences, particularly marked between France and the U.S., emerged on the second day of the annual council of the 24-nation Organisation for Economic Co-Operation and Development (OECD).

The main differences of opinion arose over strategy to boost stagnating trade and over attitudes to national measures to foster specific industrial sectors.

Mr Malcolm Baldridge, the U.S. Commerce Secretary, said too many countries, unable to adapt to the consequences of recession, had shifted the cost onto their trading partners.

He said the gradual removal of tariff barriers had brought out new distortive and restrictive trade practices, particularly in the field of foreign investment, service industries and the development of high technology.

The U.S. wanted to see urgent action in these areas. Rules for trade-related aspects of investment should be brought into the legal framework of the General Agreement on Tariffs and Trade (Gatt), he said.

The U.S. also believed government programmes to stimulate development of high technology industries led to trade distortion.

This view was backed by Count Otto Lambsdorff, the West German Economics Minister, who said his government was alarmed by some countries' massive promotion of the international competitiveness of selected branches of their industry.

This led to competition between countries rather than between companies, he said.

Leading the dissent from the U.S. analysis of the world trade problem, M Claude Cheysson, the French External Relations Minister, said recovery in world trade depended on changes in the overall economic climate that would stimulate new growth.

High U.S. interest rates, under attack from most of the OECD countries as the main hinderance to growth, were heavily responsible for the poor state of international trade, he said.

M Cheysson said states with the most prosperous economies should open their markets to imports, a clear reference to Japan.

At the same time, he said, countries with weak economies were entitled to carry out policies aimed at helping their industries to adapt to new market conditions.

Reuter

Paul Cheeseright, World Trade Editor adds: Stuttering efforts to achieve greater freedom of agricultural trade were bolstered yesterday when the OECD published a report* calling for gradual reductions in the level of protectionism.

Such moves should be undertaken in a balanced manner by all countries and should apply to all products, the report said. Although this might cause market prices to rise, there would be a better balance of supply and demand and resource allocation.

The study, released as a background to trade discussions taking place at the annual ministerial council of the OECD in Paris, was prompted by the desire, expressed in 1979, of the world's richer nations to improve the flow of agricultural trade.

It assumes more than routine importance because of its advocacy of more liberal trade at a time increasing tension, notably between the U.S. and EEC, over agricultural support policies.

This has led to growing disputes within the General Agreement on Tariffs and Trade.

The study links movements in agricultural trade to the general prospects for growth in the world economy. It notes that protectionism tends to raise domestic production and that imports are seen as a supplementary source of supply.

But the corresponding exports could be an important part of the economies of different countries, says the report. Therefore efforts should be made to avoid a reduction of imports to more marginal levels because such a trend would adversely affect general economic growth.

The study implicitly criticises EEC policies, charging that the markets are disrupted by aids like export subsidies, which make "world prices" more artificial and hamper adjustment in countries where they are granted.

* *Study on Problems of Agricultural Trade; Organisation for Economic Co-operation and Development; Paris, May 1982.*

U.S. adviser says return to Gold Standard inevitable

BY MARTIN TAYLOR, IN MONTREUX

THE U.S. is moving towards convertibility of the dlolar into gold, **Prof Arthur Laffer** told the Financial Times conference in Montreux.

Prof Laffer, a member of the Economic Advisory Board to President Reagn, told the conference on gold and the international monetary system that "*the political process is leading* us back to convertibility. We shall get it sooner rather than later."

Prof Laffer said this would happen despite the violent opposition of the U.S. Government in general. The dismissal of convertiblity by the U.S. Gold Commission was remarkable for its mildness, he said, it had been *far less hostile than might have* been imagined.

The return of the U.S. to the Gold Standard would lead to a sharp drop in the price of gold, he said. "If you knew the U.S. dollar was as good as gold, would you hold gold"

Prof Laffer pointed to a change in the international climate. "Ten years ago discussion of *gold* was *not* tolerated. Now the issue is coming back in the academic *community and in the serious* newspapers. If monetarism had succeeded there would be no discusion about gold. Something has to be done to bring long-term interest rates down."

He described last wek's compromise on the U.S. budget deficit as a smokesscren to divert attention from the real problems. President Reagan, Prof Laffer said, *had rejected* policies of raising taxes and cutting welfare, and also of credit and price controls. After the failure of monetary policies, the return to convertibility was the best option left.

Prof Laffer pointed out that convertibility did not mean that every dollar should be a warehouse receipt backed by a specific quantity of gold on Fort Knox.

It would provide a rule for open *market monetary* operations enabling the Government to judge whether the supply of *dollars was excessive or too* small or whether dollars were being turned into gold or gold into dollars.

In another speech at the conference **Mr Robert Guy,** a director of N. M. Rothschild and Sons, argued that it was unrealistic *to suggest that the gold* price could escape volatility.

He said gold was bound to be volatile as a commodity vulnerable to the effects of the economic cycle on metal prices, and as a reserve asset which could not be isolated from movements in *the international monetary* system as a whole.

He felt the next few years would not see a repeat of the extremely sharp price movement of the 1979-1981 period.

"For the volatility to continue on this scale, market *participants would have to have* learned nothing from recent history. This is very unlikely."

Mr Guy said gold producers would learn to sell more efficiently, tempering the volatility of the market, while central banks are likely to adopt a more active approach to the management of their gold

Dr Chris Stals, senior deputy governor of the South African Reserve Bank, called for a bridging of the artificial division between gold as a commodity and gold as a monetary asset.

A new code of conduct for the gold transactions of central banks should be established and the function of gold as a means of settlement in inter-central bank transactions should be reinstated, he said.

"For this purpose it is not necessary, nor feasible at this juncture to return to a fixed gold parity."

Dr Stals argued that central banks holding large gold *reserves should be able to use these to fund balance of payments* deficits, even if selling gold in the open market for this purpose might temporarily disrupt the market scene.

Dr Hans Mast, executive vice-president of Credit Suisse, also urged that the issue of monetary *reserves which can be used* for intervention purposes must be sold.

"In this respect it appears certain that gold would have an important role to play. It would seem much more likely that monetary authorities will continue *in the next few years* on balance to buy gold rather than to sell it."

Dr Mast estimated that the average level of gold supply in coming years should be between 1,200 and 1,300 tonnes per year. "At such a level, supplies likely from about 1985 onwards to lag behind demand."

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Gold and the International Monetary System

CONFERENCE

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Soviet forces step up their political defence

By Anthony Robinson in Moscow

POLITICAL indocrination in the Soviet armed forces is being stepped up as the Soviet Union prepares to enter difficult arms control negotiations with the United States.

Marshal Dimitry Ustinov, the Defence Minister, yesterday warned thousands of political officers in the armed forces that "the forces of imperialism were trying to push international relations from detente to confrontation and dangerous brinkmanship." Under these circum*stances, "it would be an unpar*donable error to underestimate the real danger from the imperialist forces."

Despite the hostile tone of Marshal Ustinov's address, the Soviet Union still has not commented directly and publicly on President Ronald Reagan's speech on Sunday in which he proposed a two-stage plan for *both sides to reduce their land* and sea based missiles by a third.

Moscow was kept informed of the evolution of U.S. Administration on thinking on arms control through two meetings between Mr Alexander Haig, the U.S. Secretary of State, and Mr Andrei Gromyko.

Papandreou and business set pattern for future relations

BY VICTOR WALKER IN ATHENS

THE FINAL shape of relations between the Greek business world and the six-month old Socialist government of Professor Andreas Papandreou will be determined over the next few weeks, when Parliament debates two Bills of importance to the future of Greek and foreign investment and the country's trade union movement.

One Bill, tabled by the Co-ordination Ministry, sets conditions and procedures for the provision of incentives for private industrial investment in the less-developed regions of Greece. The other, from the Employment Ministry, concerns the operations of trade unions and the right to strike. Both involve some basic changes of course, and have brought the business world into its first confrontation with the Government since the general elections in October.

Before and after the elections, which gave the Socialists an overall majority in Parliament, Professor Papandreou and such senior Cabinet members as Mr Apostolos Lazaris, the Minister of Co-ordination, have insisted that Greece will emerge from recession through harmonious co-operation between the State and the private sector. Little is heard any more of the "Socialisation" of industry, and any plans that may exist for large-scale state takeovers have apparently been shelved, at least temporarily.

There has not been so much of a honeymoon between private enterprise and socialism, as a hope that a working arrangement would be devised if the Government were allowed time to appreciate its limited options.

The hope still lingers despite the threat perceived by businessmen from the proposed investment incentive and trade union legislation.

The Incentives Bill is to replace Law 1116 enacted just over a year ago. Its suspension since the elections halted any major investments that might have gone forward despite the change of government.

The new Bill continues to base the attraction of investment on the offer of grants. It provides incentives that businessmen agree are theoretically attractive but they are worried by the Government's insistence on state equity participation in large grant-assisted investments, its requirement that beneficiary firms must report substantial share movements, and a string of bureaucratic procedures, to be exercised by a host of new committees—that, it is asserted, could lead to unequal treatment among applicants.

The bill offers a choice among grants, partial exemption from profit tax, increased depreciation allowances or subsidised interest on bank loans.

Businessmen are nervous about the committees that will decide the amount of the grant in each case, but rather more concerned over a provision that grants will be payable in the form of cash only as a percentage of investments of up to Dr 400m (£3.58m). For an investment of between Dr 400m and Dr 600m the grant will be half in the form of cash and half as state participation in equity, and above Dr 600m only equity participation will be available.

There has not been so much a honeymoon between private enterprise and socialism, as a hope that a working arrangement would be devised if the Government were allowed time to appreciate its limited options.

The industrialists' view is that equity participation will create complex legal problems over definition of capital structure in the event of a future capital expansion, deterring in particular the larger investments most likely to introduce advanced technology.

Industrialists' main concern, however, focuses on a clause by which enterprises that have taken advantage of previous investment incentives, or intend to utilise the new ones, must declare any agreement since January 1981 involving the transfer of more than 20 per cent of assets, capital, shares or votes to the Co-ordination Ministry within a month of the Bill's enactment. It is argued that this infringes the anonymity of limited liability companies and, as worded, could be interpreted as applying to companies that have benefited from incentives "going all the way back to the Marshall plan."

The Government's view is that the new legislation accords with a need for radical industrial restructuring if Greece is successfully to readjust its position in the international market and join the technological first division.

This restructuring would mean that the era of cheap labour engaged on turning out traditional products is over, and with it the possibility of concentrating development in labour-intensive industries. The public sector will have to take the lead in sectors of strategic importance, such as the exploitation of natural resources, while stimulating the innate dynamism of the small-to-medium sector. In terms of grants, funded from taxpayer's money, this means preference for relatively modest investments by medium-sized firms that will be complementary to, and may operate as sub-contractors for, larger units in Greece or abroad.

It is significant, however, that the Federation of Greek Industries, the Athens Chamber of Commerce and Industry and other business groups kept relatively silent, at least in public, until the tabling of the Bill on the trade union movement.

The more controversial clauses of this Bill declare lock-outs illegal, extend full trade union rights to employees of companies with a workforce of between 10 and 40, and remove from the courts the power to order a return to work for a cooling-off period.

Sympathy strikes will also be legalised for the first time in Greece, covering stoppages in support of other branches of industry and strikes by employees of a multinational firm in support of workers of the same company on strike in another country. By decision of the General Confederation of Labour of Greece, a strike may be called in the event of "danger to democracy" in Greece or as "a demonstration of solidarity with the peoples of countries whose union rights and democratic freedoms are under challenge."

To the Chamber of Commerce, opening the door to strikes "entirely unconnected with any professional demands will cost the economy dearly" and while recognising union rights to small associations of workers, "will turn the factory into a political battlefield, with immediate repercussions on productivity and the social peace that must prevail at a place of work."

The Federation broke its silence with an article in its monthly bulletin linking the two bills with tax increases in the 1982 budget and declaring that the result would be a worsening of an already dismal investment climate.

From the other side of the fence, the Trade Union Bill is seen as an essential social reform that will make workers more responsible, more co-operative, and less open to manipulation by small groups of extremists seeking to foment political strikes.

It is acknowledged that the timing might be questioned, but urged that the reforms could not be left in abeyance in view of their inseparable connection with overall industrial policy.

The Government's reaction to complaints by business groups and embassies about one article of the Investment Incentives Bill is taken as a hopeful sign.

This article, by removing about 1,250 commercial, industrial and shipping offices, would have destroyed the Athens-Piraeus area as an offshore business centre. The Bill was re-drafted three times before it went to Parliament, and most of these companies are now expected to have no difficulty in living with its provisions.

This would-be blow to the business sector appears to have been the result, not of a government attack, but of incompetence or excessive zeal among lower-ranking civil servants at the Co-ordination Ministry who prepared the early drafts. The error was rectified when the Bill finally reached the top-level government Economic Policy Council chaired by Professor Papandreou.

Swedish industry doubtful on recovery

By William Dullforce in Stockholm

SWEDEN'S industrialists are much less sanguine than their Government about the chances of industrial recovery this year. They expect only a slight increase in output and a further fall in investments.

The Federation of Swedish Industries draws this conclusion from its latest business barometer which surveys the plans of the 250 largest manufacturing companies. The results puncture the optimism expressed by the Government in the revised budget for 1982/83 it published last month, when it affirmed that Sweden had passed the trough of its recession.

The Government foresaw a 3.2 per cent rise in industrial output in 1982. On the basis of its surveys, the Federation estimates that growth at best will be 1.5 per cent, if the shipyards are excluded, and only 1 per cent with the yards included.

After falling sharply for two years in a row, industrial investments are set for another 15 per cent decline in volume this year, to judge by the companies' replies.

Mr Lars Nabseth, the Federation's managing director, pointed out that spending on research and development by Swedish companies has been increasing rapidly and is not covered in the survey. Nevertheless, the paucity of investment in fixed assets was a cause of worry.

During the first quarter of this year, utilisation of production capactiy among the 250 concerns averaged 84.2 per cent. This is the lowest level recorded during the four years the Federation has been asking about capacity.

The National Economic Research Institute recently estimated that capacity utilisation during the first quarter was lower than at any time since the Second World War.

The small increase in output expected in 1982 will not mean higher employment. The Federation calculates that employment in manufacturing will fall by 16,000-20,000. It puts the increase in productivity at around 4 per cent.

The Government hoped that the 10 per cent devaluation of the krona last September would be translated into bigger exports and an industrial recovery by the general election next September.

Most West Berliners want Reagan visit

BY LESLIE COLITT IN BERLIN

FOUR OUT of five West Berliners welcome President Ronald Reagan's visit to the city on June 11, according to a public opinion poll taken amid growing concern about anti-Americanism in West Germany. Large peace demonstrations are planned during his visit to Berlin and to Bonn on the previous day.

West German officials have expressed concern about the impact they could have on the U.S.

The poll revealed that among West Berliners under 30 years old—the main group which is expected to demonstrate—70 per cent said they approved of the visit. At the same time nearly every second West Berliner believed the Reagan Administration's military and foreign policies "threatened peace." Some 62 per cent of Berliners under 30 said this was true.

The presence of U.S. troops in West Berlin was considered either essential or desirable by 89 per cent; 75 per cent of those under 30 believed this was the case.

While 68 per cent said they admired or were sympathetic towards the U.S., 26 per cent were sceptical and 5 per cent rejected the U.S.

Wst Berliners differentiated between their desire for U.S. protection and their views about U.S. society. Only 39 per cent said they had a positive opinion about the U.S. political and economic systems, while 58 per cent held a negative view. At the same time, 80 per cent of them supported a militarily strong U.S., while only 16 per cent were opposed. Among West Berliners under 30, 62 per cent were in favour of U.S. military strength.

President Reagan is expected to spend less than five hours in West Berlin where, for security reasons, he will be directly exposed only to a relatively small number of people. He is scheduled to deliver an important address on East-West relations, to visit the Wall and the Brandenburg Gate and to review U.S. troops in the city.

Northern Ireland judge to hear evidence in Dublin

BY OUR DUBLIN CORRESPONDENT

A NORTHERN IRELAND judge is expected to sit in the High Court in Dublin later this week under the terms of the republic's Criminal Law Jurisdiction Act.

It will be the first time a Northern Ireland judge has sat in a court in the republic and the first time the provisions of the Act for the appropriate procedure have been used.

Mr Justice Brian Hutton will hear evidence in the case of Mr Owen McCartan Smyth, aged 29, a publican charged in connection with the murder of a former Stormont speaker, Sir Norman Stronge and his son, James. The Stronges, members of a prominent Unionist family in South Armagh, were killed during an IRA arson attack on their border home, Tynan Abbey, in January last year.

Under the Act, a Northern Ireland judge may question witnesses in the Dublin courts presided over by a High Court judge from the republic. The Act was drawn up in an attempt to deal with offences committed in Northern Ireland by the Provisional IRA and other Republican group with units south of the border.

It is not possible to extradite in cases of political offence—a fact repeatedly deplored by Unionist politicians. The republic's authorities devised the Act so that cases arising out of alleged offences in the UK could be tried in Dublin.

In the case of Mr McCartan Smyth, defence lawyers had submitted that key witnesses were unable to travel to Belfast to give evidence. It is expected that the Dublin proceedings will last about two days and that the trial will then be resumed in Belfast.

The legislation will be further tested next month, when Gerard Tuite, a remand prisoner who escaped from Brixton Prison in London in 1980, will be tried in Special Criminal Court in Dublin.

This will be the first time the republic's authorities have attempted to convict on offences alleged to have been committed in England.

RELIANT STEALS A LEAD ON SUZUKI

British Dolphin to leap into Indian family-car market

BY JOHN ELLIOTT, INDUSTRIAL EDITOR, IN BANGALORE

WHILE INDIA waits for Suzuki to become a major producer of Japanese-designed cars in about two-years' time, a small British fibreglass saloon will soon be stealing a lead in major cities such as Bombay and New Delhi. The car is called the Dolphin and it will be the first totally new four-wheel model to be launched in India for nearly 30 years.

The Suzuki will be produced by Maruti, a State-owned company near Delhi. It is intended to transform the small Indian domestic car market, which is dominated by derivatives of the 1950s Morris Oxford and a slightly later Fiat. But the Dolphin is being slipped into the market first by Sunrise Auto Industries of Bangalore, a smallish company financed by a local family of entrepreneurs which has bought a licence for the Dolphin designs from Reliant Motors of Tamworth, Staffordshire.

There is such an unsatisfied demand for more modern cars in India that Sunrise says it already has orders booked for all the 3,000 or so cars that it can produce till June 1984. It plans to make 1,000 this year, starting deliveries in Bombay and Bangalore next month. It is then licensed by the Government for 3,000 cars a year.

Mr R. K. Sipani, the 39-year-old managing director of the company, is confident that, after earlier false starts with home-designed fibreglass cars, he has found a potential winner. "We wanted a company to provide us with the technology to produce small basic cars in low volume in a light fibreglass body, and Reliant provides that," he says.

Both Reliant and Sunrise are best known in their home countries for producing three-wheeler cars. Both have also had financial problems. Reliant has cut back its UK production and labour force in recent years. Sunrise has not made a profit since it was set up in 1975 with Sipani family money earned in other businesses such as coffee, timber, and making school blackboards. Now it is backed by banks as well, and its investment and working capital totals some £3.3m. Mr Sipani hopes to make profits within two years.

Reliant has faced a severely limited home market in the UK, where high labour costs have made some of its hand-built designs uneconomic. It has been specialising in selling its designs to less developed countries. Greece is currently making a small pick-up truck called the Fox, which may be made by Sunrise, and there have also been deals in Turkey and Syria.

The attraction for these countries is that capital investment is low and labour content high, although the fibre-glass raw materials can be expensive. The fibreglass bodies are said to give good fuel economy but potential customers sometimes worry about the collision strength of what they regard as a "plastic body."

The Dolphin is a two-door saloon or three-door estate with a 850cc alloy engine. Sunrise has bought the production licence and body moulds from Reliant for about £100,000.

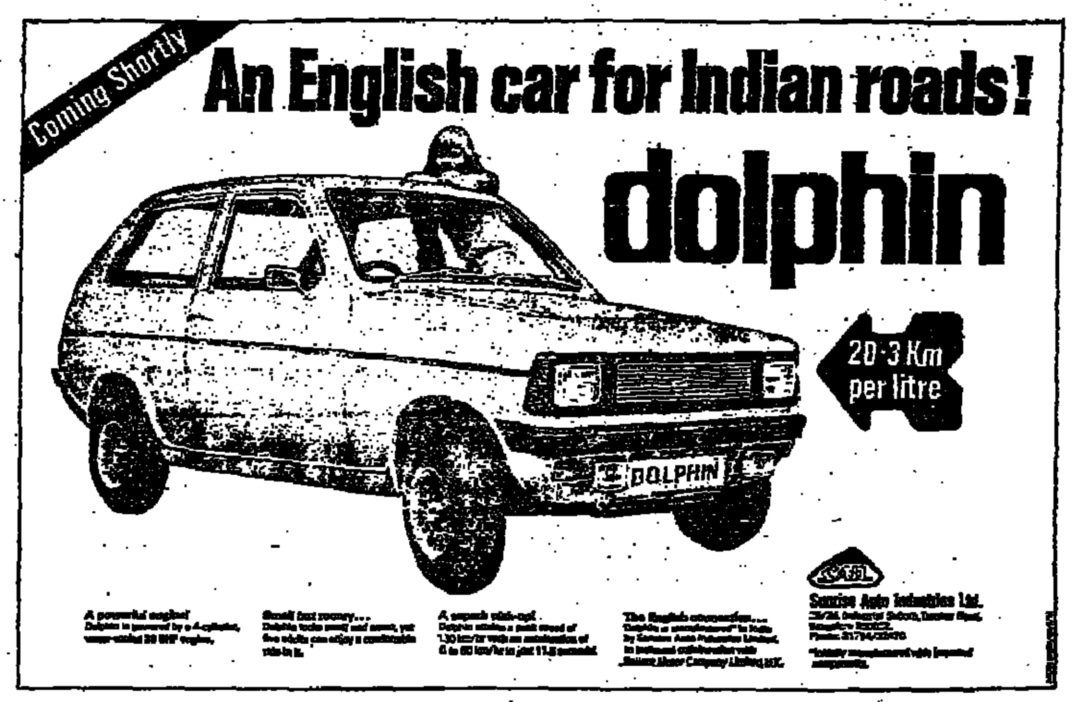
Sunrise will also be buying most of the mechanical parts of the car to begin with, but the Indian Government requires it to move to about 90 per cent local production within three years. By that time it may be only buying part of the engine from the UK in kit form, and will have to find a way of producing quality components in batches that major car manufacturers would consider uneconomic. A lot of work will be subcontracted.

It has already started using the Reliant moulds to produce its own glassfibre bodies—about 80 to 100 of them are basking in India's hot sun outside the Sunrise factory on the outskirts of Bangalore. Seats, soft trim, glass and electrical fittings and the chassis are also being made locally.

The first two Indian-assembled cars have now been completed and look little different from two Tamworth-made saloons used earlier in the year to drum up local orders. Production will gradually build up once a container load of parts for 100 cars arrives by ship later this month.

The Dolphin will sell at about £4,500, once import duty of 125 to 160 per cent imposed on imported components has been added. This makes it more expensive than existing family cars and well above the figures approaching £3,000 being talked about for the Suzuki. The eventual price differential between the two cars may be considerably reduced, however, depending on how the duty is arranged.

Sunrise now needs to establish the viability of the Dolphin and its servicing arrangements before mid-1984 when the Suzuki is due to be launched. If it does that, Sunrise and Reliant will have been good for each other.



Sunrise Auto's advertising campaign for the Reliant Dolphin—called the Kitten in Britain

30% drop in India's foreign reserves

By K. K. Sharma in New Delhi

INDIA'S FOREIGN Exchange Reserves dropped by more than 30 per cent in the year to last March, according to a confidential study made by the Ministry of Finance.

Foreign Exchange Reserves were Rs 33.54bn (£2bn) despite a loan of Rs 6.3bn from the International Monetary Fund. This compares with Rs 48.22bn at the end of March 1981, and thus — if the IMF drawings are not taken into account — the reserves fell by Rs 20.97bn, the largest drop ever.

The fall was mainly the result of a record trade deficit. Trade figures are available only to last December when the gap had already reached Rs 41.09bn in the period April to December 1981, compared to Rs 39.49bn in the same period of the previous year.

Despite an increase of 15.3 per cent in exports to Rs 53.17bn, imports rose by 11.9 per cent to Rs 94.26bn. Thus it seems that India is heading for a record deficit.

The reserves, however, have been bolstered by foreign exchange inflows from aid, loans and "invisibles" like remittances from Indians abroad. These are now expected to decline, although the reserves should be kept at a reasonable level because of the expected release on schedule of the second year's instalment of $2bn of the three-year $5.7bn loan obtained from the IMF last year.

Other economic indicators for the past year, contained in the report, are encouraging. The inflation rate, as measured by the wholesale price index registered zero. The study points out, however, that the average change in 1981-82 over the previous year worked out at just over 9 per cent, due to sharp rises earlier last year.

Despite a fall in textile production of 4 per cent, overall industrial output increased by just over 9 per cent. This was helped by the large increase in such key sectors as crude oil, which soared by 57 per cent and fertilisers which increased by 48 per cent.

S. Africa close to decision on fuel plant

SOUTH AFRICA is to decide soon whether to allow construction of a fourth synthetic fuel plant, the Minister of Mineral and Energy Affairs, Mr F. W. de Klerk has told Parliament, Bernard Simon reports from Johannesburg.

Mr De Klerk said the country's self-sufficiency in liquid fuels was being eroded by increased consumption of oil.

Production at Sasol plants is secret, but officials have said they will supply almost half the country's liquid fuel needs. Studies elsewhere have suggested a far lower degree of self-sufficiency.

Several private companies have submitted proposals for coal-based synthetic fuel plants. A key factor in implementing their plans is the extent to which the authorities are willing to subsidise the projects.

Sasol has announced that the Sasol-3 plant began producing crude oil earlier this week, 40 months after the decision to go ahead.

Secrets charge denied

The leader of South Africa's ultra-right wing Herstigte Nasionale Party, Mr Jaap Marais, was charged yesterday with disclosing secret information on the country's oil supplies, AP reports from Pretoria. Mr Marais who pleaded not guilty, was accused of disclosing that South Africa had supplied 1.85m gallons to Zimbabwe last year.

Iraqi victory claim

Iraq said yesterday that it had repulsed a new Iranian attack north of the Gulf port of Khorramshahr after a fierce three-hour battle, Reuter reports.

The official Iraqi news agency said the Iranians attacked at dawn with infantry and armour but Iraqi units forced them to retreat with heavy casualties.

Fears of domination undermine Gulf Arab co-operation

BY JAMES DORSEY IN KUWAIT

ATTEMPTS TO mould the Gulf Co-Operation Council (GCC), which includes six conservative Arab oil producers, into a single economic unit, appear to be foundering on fears in the smaller Gulf states of domination by the Saudi and Kuwaiti business communities, and on moves to protect national entrepreneurs.

Established in May, 1981 by Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman, the GCC is viewed by the Gulf states as a means to confront rising tensions in the region, particularly between the six GCC states and Iran, and to anticipate future social and economic problems.

"The GCC is the only thing that can save this region. Our strength lies in economic integration," says a member of a prominent Kuwaiti merchant family, pointing to the fact that, with the exception of those in Saudi Arabia, Gulf Arabs are a minority in their own countries.

But the minority status of the indigenous population is becoming an obstacle in the way of efforts to integrate the six countries' economies. In November, 1981, the GCC's summit in Riyadh adopted an economic charter, which calls for free trade, travel and residency between and in the six states, and for co-ordination of their oil, industry, trade, technology, marketing and monetary policies.

Within weeks of the ratification of the GCC charter, the United Arab Emirates moved towards protection of its business community from being overrun by Gulf businessmen, particularly Kuwaitis and Saudis. The UAE issued late last year the Commercial Agency Law, to require that all agencies in the Emirates be wholly owned by UAE nationals. Foreigners had until August 1 to turn over their agencies to Emirate citizens, with the option of an additional year of grace.

The UAE move has been echoed by calls for similar action in other Gulf states. The Bahraini newspaper, Akhbar al Khaleej, quoted Jassem Murad, a member of the board of the Bahrain Investment Company, last week as saying: "A single Kuwaiti investor can buy half the entire area of Bahrain because we are a small state." Mr Murad demanded a review of the GCC economic charter, and questioned whether "the weak should have the same status (in the GCC) as the powerful." At a recent symposium in Bahrain, businessmen expressed fears that enforcement of the GCC charter would detonate inflation in Bahrain and create social unrest among the middle class.

Kuwaiti merchants with long-standing business interests in the Emirates acknowledge the problem that foreigners comprise 80 per cent of the UAE population. Nevertheless, they accuse the UAE of "outright nationalisation" and argue that the Commercial Agencies Law contradicts the GCC agreements to establish a Gulf common market.

There are Kuwaiti merchants affected by the UAE legislation who reason that Article 27 of the GCC charter stipulates that GCC agreements supercede national legislation. "The choice is up to the UAE," says one merchant, adding: "either the UAE abides by GCC agreements or its commits suicide and pulls out of the Co-operation Council."

Kuwait's business community has asked the Kuwaiti Government to try to have Gulf nationals exempted from the UAE curbs. Abdullah Bishara, the Kuwaiti secretary-general of the GCC, is believed to have discussed the issue during a visit to Abu Dhabi last week.

Diplomats say the Commercial Agencies Law was also raised during the visit to Kuwait last month by President Sheikh Zayed bin Sultan al Nahayan of the UAE. Fears of the more sophisticated and wealthier Kuwaiti and Saudi business communities are further assumed to be on the agenda of talks in Kuwait this week between Kuwaiti officials and Sheikh Issa bin Selman al Khalifa, the Emir of Bahrain.

THE FALKLANDS CRISIS

Argentine industry postpones attack on Government policy

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

FIERCE DEBATE has broken out among leading Argentine industrialists who are alarmed at the continuing sharp contraction of the economy, over the timing of major protests about what they regard as the excessively monetarist policies of the military junta.

The Union Industrial Argentina (UIA), the local equivalent of the Confederation of British Industries, decided on Monday to postpone publication of a document criticising the restrictiveness of economic policies being executed by Sr Roberto Alemann, the Minister of the Economy.

Those who were pressing for a frontal assault on the Government and who are seeking a less restrictive monetary policy were overruled by Sr Jacques Hirsch, the UIA chairman, who argued that the Falklands crisis made it impossible to push for a U-turn at the moment.

It is expected, nevertheless, that the more impatient critics of the Government within the UIA, led by Sr Livio Kuhl, a former Industry Minister, will find ways of expressing themselves publicly in the next few days.

According to Preliminary Central Bank figures just published, gross national product fell by 4.3 per cent in the first quarter of this year, the biggest first quarter drop for more than a decade. Forecasts for the year as a whole suggest contraction in the economy will be very much larger in 1982 than the 6.1 per cent registered last year.

Every sector of the economy was squeezed in the first quarter with the exception of the farm sector, boosted by an excellent harvest. Vehicle production has been particularly badly hit, with just over 7,500 cars being produced in April, compared to well over 10,000 in January.

The Central Bank has announced that in the first week of May its international reserves rose by $120m, against a fall of $513m over the previous four weeks.

The increase in reserves is accounted for by the virtual suspension of foreign currency payments and the devaluation of the peso, which encouraged Argentine exporters to sell their holdings of foreign currency to the Central Bank.

Although there is no sign of shortages in Buenos Aires, Mgr Vicente Zazpe, Archbishop of Santa Fe, has criticised speculators for "stockpiling consumer goods in the expectation of a prolonged state of war."

Bishops give junta's troops a sense of crusade

BY JIMMY BURNS IN BUENOS AIRES

THE GAUCHO VIRGIN, said the Bishop, is Mother of all men, but is in a very special way the Mother of Argentines, and has come to take possession of this land, which is also her land.

Thus did Mgr Desderio Elso Collino bless a statue of the Virgin of Lujan, along with eight crucifixes, some five generals, and an estimated 6,000 to 10,000 troops on April 8, when Argentina's military governor formally took charge of the Falkland Islands.

Church backing for Argentina's military occupation of the islands has remained unrepentant ever since. It has given the soldiers a sense of moral crusade and the junta the certainty of political cohesion.

Last June, the traditionally conservative Bishops' Episcopal Conference ended its aquiescence with the military regime and demanded a return to law and democracy. The Bishops' sharp criticism and its call for a "new and moral order," ushered in a period of increased opposition to the regime from outlawed parties and the unions.

Since the invasion of the Falklands, church criticism of the regime has been less open. The bishops, in their latest conference, significantly postponed a follow-up statement on Argentine politics and society, and concentrated instead on "the Malvinas."

"Argentina has recovered its sovereignty over the islands with the right that it has been demanding for 149 years." the conference stated.

In common with the parties and the unions, the church's view is that the Falklands is a national issue which is above domestic political considerations, even human rights. By contrast with the Chilean and Brazilian churches, the Argentine hierarchy has never had a reputation for outspokenness against repression.

During the Falklands crisis, the Argentine church has shown itself particularly adept in defending Argentina from charges that the military invasion on April 2 was a flagrant violation of the islanders' right to self-determination and international rules of law.

When he encountered Argentine troops for the first time, the local English Catholic leader in the Falklands, Mgr Daniel Spraggon, complained to the Argentine media that the kelpers were having their life turned inside-out by a massive display of tanks and anti-aircraft guns.

The Argentine church, however, has not only blessed the occupation, but refused to acknowledge that human rights is an issue. "Our troops have behaved impeccably, ever since they recovered the Malvinas. The same cannot be said about the way you British have been acting," said a Catholic editor who is close to the official church position.

The fact that the invasion was indeed carried out bloodlessly, and that subsequently the bulk of Government propaganda has concentrated on alleged "atrocities" committed by the British task force has strengthened the church's moral judgment in the public eye. The combination of a perceived historical justification and the spotless way in which the April 2 invasion was carried out, has allowed the Argentine church to rally the faithful around the Christian concept of a "just defence," in its backing for the Argentine armed forces.

The alignment is clearly illustrated in the latest issue of Esquiu, the popular Catholic weekly, which is sold aggressively inside and outside churches up and down the country every Sunday. The cover shows a picture of two human arms, one tatooed with the British flag, the other with the Argentine, wrestling over a map of the Falklands, and the caption "More power to you, Argentina." Inset is a map of Argentina surrounded by a rosary and the slogan, "We have a powerful weapon." Inside, there is an editorial entitled, "Our advantage," written by Mgr Manuel Menendez, Bishop of San Martin.

"We Catholics fight for peace, but we also know that the Fourth Commandment tells us to love our country, and, if necessary, give up our lives for it. In the present circumstances, the commandment is quite clear: if they attack us, we have to defend ourselves," the bishop writes.

In their recent conference statement, the bishops expressed their fear of "a war of unforeseeable consequences," and referred to papal condemnation of military conflict. However, by their emphasis on defence of Argentina's sovereignty claims, the bishops have implicitly given the green light to the junta, if and when it decides to go into full battle with the British.

The church's position over the Falklands contrasts with the attitudes struck by the Bishops in Argentina's other outstanding territorial dispute—its challenge to Chile's claims over the Beagle Channel. Last year, the joint decision by Argentine and Chilean Bishops to give their full backing to the papal mediation in the dispute put the church at odds with the junta.

While military officers were openly circulating rumours of war, the Archbishop of Buenos Aires, Cardinal Juan Carlos Aramburu, led a massive peace rally.

Conscious of such precedents, some diplomats in Buenos Aires have expressed the opinion privately that, after Haig, Belaunde Terry, and Perez de Cuellar, the final mediation effort could be made by the Pope. Catholic observers here, however, see this only as an outside possibility.

Alemann will not seek IMF emergency aid

HELSINKI — Argentina's Economy Minister, Sr Roberto Alemann, said yesterday that his country would not need emergency financial help because of the Falklands crisis.

He said, in an interview, that he was not asking the International Monetary Fund, which is meeting in the Finnish capital, for loans to tide the country over a financial crisis brought on by the conflict with Britain.

Sr Alemann said he would fly to Zurich on Friday and to New York next week to explain Argentina's economic position to non-British banks. He would not seek to reschedule or defer repayments of its official and commercial foreign debt, which he estimated to be in the region of $35bn (£19bn).

International banks are said to be reluctant to extend further loans to Argentina while the uncertainty over the Falklands continues, but Sr Alemann denied reports that Argentina would be unable to meet its debt repayments.

He said that after the conflict was over, Buenos Aires would even make good its debts to Britain.

The Minister said that Argentina had retaliated against Britain's freeze on Argentine assets in London by freezing the transfer of British assets in Argentina. A decree to block the transfer of shareholdings by British residents in Argentine companies was published in Buenos Aires on Monday.

Sr Alemann would not estimate the value of the British assets. He said that his country was not shutting down British-owned bank branches in Argentina but the British banks had lost heavily as trade depositors withdrew their money.

The European Community's sanctions policy had meant an end to trade worth up to $5bn between the West European countries and Argentina. "We think this is an aggression and contrary to international law and agreements."

Reuter

Exhibition goes ahead in Japan

By Charles Smith in Tokyo

AFTER WHAT seems to have been prolonged heart-searching among the officials involved, an exhibition of Argentine products, sponsored by the Japanese Government, opened in Tokyo this week.

The exhibition, of about $80,000 (£43,600) worth of Argentine textile and food products, is in the hall of the Japan External Trade Organisation (Jetro). Jetro officials said yesterday that they had "so far" received no protest from the British Government about the show, and were "hoping" there would be none.

Argentina first approached Japan with a plan for an import promotion exhibition early last year and it was arranged to hold a display during October 1981, at the World Import Mart at Ikebukuro. Argentina postponed the initiative because of foreign exchange problems.

In March this year, Argentina asked Jetro whether the display could be held in May. Japan agreed and the products to be shown were shipped from Buenos Aires shortly before the end of March—about two weeks before the eruption of the Falklands crisis.

Jetro officials said yesterday that "harsh discussions" were held between various government agencies on the advisability of going ahead with the exhibition, after Britain asked Japan to take economic sanctions which would have included a ban on imports from Argentina.

Bonn expected to support sanctions renewal

BY JONATHAN CARR IN BONN

WEST GERMANY is likely to support renewal of European Community trade sanctions against Argentina from next Sunday, despite fears for its relations with Buenos Aires and Latin America in general.

Although Bonn has sought to keep a fairly low profile throughout the dispute over the Falklands, its attitude is expected to have a major influence on the stand taken by other EEC nations.

In particular, the dispute will be high on the agenda of talks between Chancellor Helmut Schmidt and the French president, M François Mitterrand in Hamburg on Friday, although the meeting was planned long before the British-Argentine crisis emerged.

Officials in Bonn stress that West German support for sanctions would probably no longer be forthcoming if Britain, in the meantime, launched a direct attack on installations on the Argentine mainland.

But if such direct action does not occur and even if Britain were to make an armed landing on the Falkland Islands it is thought that Bonn would continue to stand by Britain.

The West Germans are said to be deeply upset by the Falklands dispute for the ollowing reasons:

- *It puts at risk close West German relations, economic and otherwise, with Argentina and Latin America, generally going back to the last century.*
- The belief that the developing states will stand behind Argentina and against the developed countries, including the U.S., giving the Soviet Union a chance to boost its position in the Third World.
- The absence of British troops and vessels, which means a weakening of the northern flank of the North Atlantic Treaty Organisation or an undefined period.

Against these, negative points for Britain are factors which act as more than a counterbalance.

- Britain is a key ally within Nato and, more specifically one of the guarantee powers or the freedom and security of West Berlin. The latter point is stressed.
- There would, it is felt, be serious consequences for relations between Britain and the EEC if the European partners were now to drop their support

The frigate Rothesay under way in heavy seas. An Exocet missile is reported to have been launched at her during the attack which crippled Sheffield but it missed, possibly due to a foil screen thrown up by the ship.

Third World call to end Falklands trade ban

THE ARGENTINE Government won support yesterday from other developing countries for its condemnation of economic sanctions against Argentina

After four days of talks at the International Monetary Fund/World Bank interim committee in Helsinki, the group of 24 developing countries expressed serious concern about economic measures against Argentina and asked that they be lifted.

Informed sources said that Roberto Alemann, the Argentine Economics Minister, asked for support among the group of 24, which represents the Third World in dealings with the international lending agencies. But only a handful of countries was willing to endorse his stand against Britain.

The sources said the handful included Latin American and African countries, and one Asian state.

Rupert Cornwell adds from Rome: The Italian government moved yesterday to head off a potentially dangerous internal argument on the renewal of EEC sanctions against Argentina, by promising to take full account of the various views of Italy's political parties on the issue.

Addressing Parliament here, Sig Emilio Colombo, the Foreign Minister, stressed that Italy had thus far not committed itself, either to renew sanctions when the initial month expires next Monday, or to seek their removal.

Haughey plea for peace talks renewed

By Our Dublin Correspondent

THE IRISH Prime Minister, Mr Charles Haughey, told Parliament yesterday that the Falklands and their sovereignty did not merit loss of life.

He said there was a grave risk that military action would acquire its own momentum and escalate. Ireland as a neutral country was not prepared to back military action, he said.

On Ireland's opposition to continued EEC trade sanctions, Mr Haughey said it was important to make clear that his Government had not acted in any spirit of animosity towards Britain.

The opposition leader, Dr Garret FitzGerald said it was hard to conceive of "a more blundering and counter-productive approach" than that of Mr Haughey.

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Poland urges Comecon to invest in Gdansk

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND HAS asked other Comecon countries to invest in the construction of iron ore port installations in Gdansk on the Baltic coast, according to Pap, the Polish Press agency.

The project has run out of hard currency for imports of equipment from the U.S. and Japan and at the beginning of the year it was put on a list of investments for which no import licences would be granted.

The port was due to be finished next year with a planned capacity of 5m tonnes of iron ore a year.

The project ran out of steam with the fall in imports from Sweden and Brazil. But the authorities are evidently hoping that Hungary and Czechoslovakia, who import ore from Sweden, would be interested in completion of the project.

Last year, for example, Czechoslovakia brought 750,000 tonnes of Swedish ore through Polish ports. Transit agreements signed by these two countries last month foresee a growth in the amount of goods transhipped through Poland.

The Czechs have said they will be bringing 3.5m tonnes of goods through Polish ports by 1985, compared to 2.5m tonnes last year.

Hungary has committed itself to 1.5m tonnes by 1985, compared to around 700,000 tonnes in 1981. A total of 4.7m tonnes of goods were transhipped through Polish ports last year.

According to Mr Jerzy Korzonek, the new Maritime Economy Minister, this amount could rise to 7m to 8m tonnes without any capital investment at the major ports of Gdansk, Gdynia, and Szczecin-Swonoujscie.

Mr Korzonek has said that his ministry will be trying to increase transit trade. This reflects the fall of goods through the ports from 61.4m tonnes in 1980 to 37.5m tonnes last year.

● Metalexport, the Polish machine tool exporter, has signed a contract with a Bulgarian company worth 10m roubles (£7.7m) and SwFr 2.75m (£77,000).

The contract is for the sale next year to Bulgaria of 82 machine tools from the FAT plant in Wroclaw.

The Bulgarians are supplying the hard currency needed for the Western components to go into the machine tools.

The deal reflects Poland's difficulties obtaining hard currency and suggests that future contracts with other Comecon countries will foresee similar hard currency provisions.

Traders concerned over Nigeria

BY QUENTIN PEEL AND MICHAEL HOLMAN

IN THE wake of Nigeria's tough austerity package imposed last month, curbing imports, comes a cri de coeur from the financial director of a UK manufacturer with a £7.5m turnover.

"Trading with Nigeria has been the only reason for our company's continued existence during the world recession," the director wrote to the Financial Times. But the FT's reports on the country have, he complained, been "full of gloom and despondency." Could the paper not provide "constructive advice"?

The plea illustrates both the importance of the Nigerian market, worth £1.5bn last year and now likely to be cut by a third, and the concern felt by many traders.

In the short term, at least, there is little encouragement to offer—though as Department of Trade officials stress, Nigeria will remain a major market and businessmen who can ride out this difficult time will be rewarded when the economy picks up. *In the meantime*, officials stress the importance of understanding the new regulations — and complying with them to the letter.

Exporters hoping to avoid the full effects of the import curbs face the first of a series of shipment deadlines this weekend.

The deadlines involve last month's changes to procedures involving the vital Form M applications for foreign exchange from the Nigerian Central Bank.

The package was introduced following a slump in Nigeria's oil production—cut by half since the beginning of the year from 1.8m barrels a day to less than 900,000 b/d—and is intended to reduce soaring imports from a monthly level of N1.2bn (£98m) to N800m (£65m). All four speakers at a London Chamber of Commerce seminar — Mr John Rivett, of Standard Chartered Bank, Mr Gordon Hutt of Société Generale de Surveillance (SGS, the agency responsible for pre-shipment inspections), Mr Joe Wilmot of the Export Credit Guarantee Department (ECGD) and Mr John Smith of the Department of Trade — were confident that the Nigerian economy would in time recover.

But they warned that the coming months would see a sharp reduction in Nigerian imports.

The major changes in the Nigerian package include:

● Introduction of import deposits ranging from 25 per cent to 250 per cent of the value of the imported goods, effectively setting import priorities.

● Across-the-board increases in import duty, with specific rises for 49 items, and an increase in excise duty on 11 items.

● Extension of the import licensing scheme to restrict or *bar more goods, especially* those competing with local products.

● A ceiling on Federal Government guaranteed state borrowing. The limit is N200m per state and nine states have already exceeded this.

Meanwhile, says Mr Rivett: "Be patient with Nigeria. If you assist them now it will ultimately to your benefit."

● A CRITICAL change in Nigerian import curbs affects the use of M forms, the central bank document required by any Nigerian importer for pre-shipment procedures and to remit foreign exchange to his supplier, writes YQuentin Peel.

All M forms will henceforth have a validity of only six months, instead of 12 months

However, the first announcement by the Nigerian Government—that goods would have to be shipped by the shipment date on the form, which was always regarded as merely indicative—has been relaxed, to enable goods in the pipeline to be shipped by two *deadlines, May 15 and June 15.*

The detailed announcements mean:

● *M* forms issued before April 30, 1981 are totally invalid.

● M forms issued since April 30, 1981, and with shipment dates up to and including May 15, 1982, remain valid provided the goods are shipped by May 15, 1982.

● M forms issued before April 21, 1982, with shipment dates in May, June and later dates after May 15 will be valid provided the goods are shipped by June 15.

● All other goods must be covered by new M form, with the new six month validity (which now includes transit time) issued after April 21.

● All M forms must now be submitted through the Central Bank in Lagos.

● All M form applications must now include details of all applications by the importer in the previous 12 months.

The new regulations also extend the system of pre-shipment inspection carried *out by the Societe Generale de* Surveillance (SGS).

Automatic exemption from pre-shipment inspection will now only apply to orders worth less than N5,000 (cost and freight included), previously N10,000. The central bank is empowered to grant special exemption for orders above N5,000.

British contracts may miss India deadline

BY K. K. SHARMA IN NEW DELHI

UNLESS two major turnkey contracts awarded to British companies by the Indian Government are signed by the end of this week, the cheap financing package arranged for them through aid and commercial credits backed by Britain's Export Credits Guarantee Department will fall through.

The deadline for the low interest rates on export credits for the two projects from Britain—a 1.5m tonne steel plant in Orissa and the "super" thermal plant at Singraul—expires on May 15. The contracts must be signed by then.

Protracted talks on the projects are thought to be in their final stages, but a problem could arise because of the British Government's preoccupations with the Falkland Islands crisis. Mrs Margaret Thatcher's signature is required on some of the documents.

The Orissa steel plant is to be located at Daitari after it was found that another site at Paradip Port was not suitable. This is the main reason for the delay in finalising the contract, which has been awarded to a consortium led by Davy McKee.

Most of the funds for the £1bn deal are being provided by British and European banks. But the average interest rate will be 7 per cent because of special grants given by the British Government.

A similar deal is now being negotiated with a British consortium led by Northern Engineering industries for the Singrauli "super" 2,000 Mw thermal station in Uttar Pradesh.

This has been awarded to the British without the formality of a global tender, following talks during Prime Minister Indira Gandhi's recent visit to London, on an attractive financing package.

It was then agreed that Britain would provide special aid for the thermal plant as well as make its full contribution to the International Development Association (IDA), the World Bank's soft-loan affiliate, 40 per cent of whose funds traditionally come to India.

This is despite U.S. cuts in contributions to IDA and the convention that all other donor countries make proportional contributions.

EUROPE'S MOTOR INDUSTRY

Cash flow deficit set to continue

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE FINANCIAL position of the European motor industry will remain precarious for some years. It will have to finance an annual $8bn to $10bn (£4.37bn to £5.46bn) investment programme out of an operating cash surplus some $2bn to $3bn less.

This follows a period, 1978 to 1980, when the cash flow deficit for the leading 20 European motor companies was $11.8bn, according to DRI Europe, formerly known as the Economic Models group.

"This haemorrhage of cash resulting from low profits and high investment in working capital and fixed assets was equivalent to $1,800 for each person employed in the European industry," says DRI's latest world automotive forecast report.

It points out that although only two European companies, Alfa Romeo and BL, made significant losses over the three-year period, only three companies recorded a positive cash flaw. All three, Daimler-Benz, Saab-Scania and Volvo, are also significant truck producers.

DRI believes that total European car production will never again reach the levels achieved in 1979. Though import penetration is expected to remain steady, a continued decline in European exports to the rest of the world (excluding North America) will leave output stagnating at around 10.5m cars a year, against the 11.2m peak reached in 1979.

Overcapacity in Europe will remain at a minimum level of 3m cars. General Motors' new Opel plant in Spain will increase the overcapacity problem when it comes on stream later this year. The plant can produce an *annual 300,000 small cars*.

DRI is doubtful that the proposed Nissan plant in Britain, which would have an output of at least 200,000 Datsun cars a year, will ever be built. "It seems that the controversy over the proportion of the car that must be of EEC origin is no nearer solution. Italy and France are expected to be particularly reluctant to allow the car full European status."

DRI predicts that within total European car production, producers *of medium and large cars* will recover fastest, and these cars will generate cash as the markets recover.

Producers of super-mini cars and small saloons will find the 1980s very difficult to survive because the overcrowded nature of these markets will hit profits. "Banks, governments and parent companies will be required to pump yet further cash into these operations," suggests DRI.

Two factors in particular will boost the medium and large car segments of the market at the expense of the super-mini and small saloons: no dramatic oil price rises are expected, and incomes are forecast to rise steadily in real terms.

On the sales side, DRI points out that recovery is already under way but it will be a slow, steady affair and most markets will not return to 1979 sales levels until 1983. Italy will be the exception since that market is only now beginning to turn down after three years of very high sales.

The report provides forecasts of car registrations, production, imports, exports and total car population for 31 countries—including all of Western Europe, North America, Japan, five East European countries, Latin America, Australia and New Zealand.

For Britain, DRI predicts the car market will remain steady at about 1.6m a year in the mid-1980s and that car production will stabilise just above the current level at 1m. With this in mind, BL's hopes of breaking-even in 1983 seem "highly optimistic." A better bet would be 1984 but only if the LM series of medium-sized saloons is a success.

Next year will also see some recovery in the U.S. New car sales are expected by DRI to exceed 9.6m while production is predicted to rise from a very depressed level of 5.76m to 7.42m.

No significant rise in Japanese production is expected until 1984 because the current web of import controls are expected to keep exports down to about 4m a year.

At the moment, says DRI, Japan does not wish to push its exports to Europe and North America beyond an annual 3m mark but "this restraint is not forecast to be permanent."

"World Car Forecasts Report" DRI Europe Ltd, 30 Old Queen St., London SW1H 9HP, $1,500 (£850).

WORLD CAR FORECASTS
(Million units)

New car registrations	1981	1982 (actual)	1983	1986
UK	1.48	1.53	1.64	1.63
France	1.84	1.99	2.09	2.0
West Germany	2.33	2.4	2.57	2.64
Italy	1.73	1.69	1.6	1.49
Spain	0.48	0.53	0.57	0.77
Western Europe*	9.68	10.0	10.45	10.67
U.S.	8.53	8.43	9.67	19.81
Latin America†	1.17	1.14	1.24	1.78
Japan	2.87	3.13	3.23	3.22
Car production	**1981**	**1982 (actual)**	**1983**	**1986**
UK	0.95	1.04	1.1	1.01
France	2.61	2.77	2.78	2.7
West Germany	3.58	3.86	3.78	3.68
Italy	1.26	1.4	1.4	1.32
Spain	0.86	0.93	1.03	1.26
Western Europe*	9.81	10.58	10.68	10.48
U.S.	6.25	5.76	7.42	8.3
Latin America†	1.14	1.25	1.35	1.9
Japan	6.97	7.0	7.19	7.74

Source: DRI

* Western Europe includes 15 major European countries. † Latin America includes only Mexico, Brazil, Argentina.

AMERICAN NEWS

Budget proposals from Democrats likely to gain vote

BY ANATOLE KALETSKY IN WASHINGTON

THE House of Represenatives' budget committee is today expected to vote for a budget plan sharply at variance with the proposals endorsed last week by President Ronald Reagan and the Republican Party leadership.

The plan will be based on an outline presented yesterday to Democratic members of the House budget committee by Mr James Jones, the committee's chairman.

This provides for substantially higher taxes, lower defence spending and fewer cuts in non-military programmes than the Republican proposals. (The democrats' plan would lead to a deficit of $102.9bn (£56.3bn) in 1983, compared with the Republicans' deficit of $106bn. It would raise taxes next year by $30bn instead of $20bn, reduce the growth in defence spending to 5 per cent in real terms instead of 7 per cent, and make no cuts in social security pensions.

The Republicans are seeking $40bn of "savings" in social security over the next three years.

The White House immediately rejected the Democrats' plan as "a return to the same old unworkable policies of tax and tax and spend and spend that put us in this economic mess." Thus the battle lines are drawn for what could prove a bitter and protracted struggle between the President and the Democratic-controlled House of Representatives.

President Reagan has invited about 100 leading businessmen, trade unionists and bankers to the White House to try to win their support for the Republican version of the budget.

The personal briefings began yesterday and will carry on for three days. The President's visitors will have the budget explained to them by Mr David Stockman, the Budget Director, and Mr Ronald Regan, the Treasury Secretary. Mr Reagan will then urge them to press congressmen who are wavering, particularly on the issues of higher taxes and social spending cuts.

On military spending, the Administration is seeking to concentrate economies on servicemen's pay and conventional forces. Mr Alexander Haig, the Secretary of State, speaking to the Senate foreign relations committee yesterday, insisted that the Administration's most controversial strategic nuclear weapons programmes, the MX missile and the B1 bomber, must be continued if there is to be any hope of negotiating arms reductions with the Soviet Union.

After the Democratic plan is approved by the House budget committee this week, it will go to the floor of the House for a full vote. This is expected in about 10 days' time. This will be the first opportunity for President Reagan to exercise pressure on conservative Democrats to break with their party line as they did last year.

However, this year it will be much harder to win their support.

In addition, a group of more than 20 left-wing Republicans from northern states, calling themselves the Gypsy Moths, have indicated that they find the Democratic budget plan more acceptable than the one presented in the Senate by the Republicans.

Reagan to stress Latin America support

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT João Figueiredo of Brazil was due in Washington yesterday for three days of talks in which the Reagan Administration will seek to emphasise that it is still interested in extremely close links with Latin America, despite its support for Britain in the Falklands crisis.

U.S. support for Britain, however, has already led Brazil to downgrade the visit — least symbolically. President Figueiredo has shortened his visit by a day and cancelled all the festivities—including receptions, concerts and exhibitions.

Neither side is expecting concrete decisions to emerge from the talks, which are intended to range widely over global and Latin American affairs. Senior Administration officials said that one of the main purposes would be a profound examination of how the inter-American system could best respond to the challenge posed by the Falklands conflict.

Brazil has said that it supports the Argentine claim to sovereignty over the islands, though not the use of force. Nevertheless it has sold three surveillance aircraft to Argentina since the crisis began, according to U.S. officials.

Washington and Brasilia also differ over Central America, another topic likely to be discussed in the next two days. Brazil recognises the dangers posed to the whole hemisphere by the guerrilla uprisings in El Salvador and other countries, but does not believe that outside powers, including the U.S., should interefere.

Paul Betts looks at the battle over the political trend of the U.S. Screen Actors' Guild

Million-dollar cast in Hollywood crusade

IF LABOUR UNIONS in the U.S. are in a general state of disarray, none is in greater turmoil than the small, 55,000-member Screen Actors Guild (Sag)—Hollywood's own union once presided over by the current President of the U.S.

On the surface at least, the current battle in the Sag reads like the perfect Hollywood script, complete with a multi-million dollar cast. The leading players are Charlton Heston ("Ben Hur," "The Ten Commandments") and Ed Asner (television's "Lou Grant," the tough-shelled but soft-centred City Desk newspaper editor). And, if that were not enough, even President Reagan has been brought into the dispute.

The media, not just in Tinsel Town, have been having a field day. From coast to coast, headlines have screamed: "Moses Versus Lou Grant" or, predictably, "Star Wars." The row is more than just another neurosis. Indeed, it is a serious affair which could have major implications not only for the film industry but for the labour movement as a whole.

The dispute is essentially a philosophical one: should the union become involved in politics and the American labour movement? Or should it limit its role to the narrow problem of protecting actors' wages and working conditions through bargaining at the table? Mr Heston, who presided over the Guild for six years until 1971, believes the union should not meddle in politics nor in the matters of the AFL-CIO, the country's leading labour federation. Mr Asner, who was elected President of the Guild last November, thinks otherwise.

Mr Heston has formed a group called Actors Working for an Actors Guild (Awag) to spearhead the campaign against the current Guild's leadership. He is supported by some of Hollywood's biggest heavyweights, including Frank Sinatra, Burt Reynolds, James Stewart, Clint Eastwood and a host of others. They are generally regarded as conservatives and friends of President Reagan.

Mr Asner, who was elected because he had so impressed union activists by his picketing and public speaking during the 13-week actors' strike two years ago, is supported by a wide majority of the Sag board. The Asner camp is generally regarded as left wing and critics of the President.

In a sense, the Asner camp brought the issue to a head. Ms Kim Fellner, an ardent trade unionist brought into the Guild in 1979 as public relations director but is now viewed by many as the Sag's political officer, explained that the bargaining table alone was not sufficient to protect actors as workers any more. "Legislation is being proposed by Congress which affects actors. What happens in the political arena is now critical for what happens to actors."

Thus, under Mr Asner's leadership, the Guild moved away from business unionism into so-called "social" unionism. It proposed merging with other unions, the extras first and then the television and radio workers' union. The jurisdictional lines between these various unions have become blurred. Claimed Ms Fellner, because technology has changed the industry and the times now called for a single strong umbrella organisation to represent the interests of workers in the entertainment business.

Mr Heston disagrees vehemently. He emphasises that Guild members are the lowest paid and most underemployed workers in American organised labour, with 76 per cent of members making less than US$2,500 (£1,396) a year at a time when film production is at an all-time low. He argues that the interests of actors are not best served by mergers.

Charlton Heston on picket duty outside Paramount Studios in 1980.

Actors, he says, are proud to be actors. They do not want to be extras.

The merger dispute was compounded by the Sag decision to send $5,000 in support of the striking U.S. air traffic controllers last year during the showdown between the union and President Reagan. The Guild subsequently became more and more involved in the affairs of other unions, supporting other labour disputes. Then the first really big rumpus occurred.

The awards committee of the Sag had decided to honour President Reagan with the 1981 award "for outstanding achievement in fostering the finest ideals of the acting profession."

When Ms Fellner heard of this, she wrote to the Sag board to reconsider the award. The board decided to withdraw the prize which President Reagan had apparently already said he was willing to accept. lers, others claimed.

Then Mr Asner goofed. The television star, who is very popular in America, addressed a rally in Washington last February in which he came out in support of the rebels in El Salvador. The rally was organised to raise $1m for medical aid for the guerrillas in El Salvador. Mr Asner did not make it sufficiently clear that he was speaking as a private individual and not as the President of the Guild. This gave ammunition to his foes who charged he had overstepped himself.

The CBS television network announced recently that it was dropping the "Lou Grant" series next season because of "a sharp decline in audience response." Although long-running series eventually have to be ditched, many have speculated that the decline in the show's popularity had something to do with Mr Asner's outburst on El Salvador.

Although Mr Asner admitted he made what he called "a slight goof," he has since kept remarkably low and declined to speak out in his traditionally candid way. To make matters more complicated, President Reagan said he was "very disturbed" by Mr Asner's leadership of the Guild and the politicisation of the union he once headed.

That Mr Reagan should come out in the open on such an issue is not altogether surprising. The President feels strongly about the union and often refers to his presidency of the Guild to counter charges he is anti-labour, but he is also aware of the potential power the Guild has on American public opinion. Actors, as private citizens, have traditionally and most effectively campaigned for presidential candidates. They are a group that any politician wants on his side.

For this very reason, Mr Heston, a good friend of the President, claims that while the American labour movement as a whole has everything to gain from the politicisation of the Guild, the Guild itself would gain nothing. "The union may be extremely small but Ed Asner is the best-known union leader in the world. Most people could not tell you who Lane Kirkland (the current president of the AFL-CIO) is, but they'll tell you who Ed Asner is."

Poor nations attack lending plans

BY MAX WILKINSON IN HELSINKI

THE WORLD'S leading developing countries yesterday issued a strong counterblast to proposals mainly from the U.S. by tightening the conditions of lending by the World Bank and the International Monetary Fund.

At a meeting of the countries, known as the Group of 24, in Helsinki, ministers also underlined their worries that the tight financial policies of the developed world were deepening recession and injuring the market for exports from developing countries.

The Group of 24, under the chairmanship of Mr Victor Bruce, governor of the Central Bank of Trinidad and Tobago, was consolidating its position before today's meeting of the interim committee of the IMF.

At today's meeting, Mr Donald Regan, the U.S. Treasury Secretary, is likely to make a plea for conditions attached to IMF lending to be strengthened. He also wants to ensure that the fund remains a lender of last resort and does not move into the business of development loans.

He will be supported by several Western nations in the fear that a too rapid expansion of IMF lending could rekindle the fires of world inflation.

The Group of 24 said in a communique after its meeting that it recognised the importance of fighting inflation. However, it is alarmed by what it believes is a weakening of the spirit of international co-operation resulting from the tough deflationary measures and the threat of gathering unemployment.

They claim that if these tight policies are needed to make structural readjustments in Western countries, the developing world should at the same time recognise the different structural problems of their less well-off neighbours.

The Third World countries are particularly annoyed by the "widespread protectionist measures" in both the agricultural and manufacturing sectors. They say these trade barriers show an unwillingness by richer countries to put their own houses in order.

The main argument which is likely to bubble below the surface at this interim meeting is about the size of quotas for the Fund. It is now widely recognised that these quotas which determine borrowing ceilings and voting rights have drifted way out of line with the trading strengths of many countries, including the UK and Japan.

The developing nations want a sizable increase in the IMF quotas

Canada oil exploration project to cost £270m

By Robert Gibbens in Montreal

THE CANADIAN Government, eager to reduce controversy over the demise of the C$13bn Alsands project, has made a key agreement to cover a big exploration programme in the Mackenzie Delta area, 2,500 miles north of Calgary.

About C$600m (£270m) will be spent by Imperial Oil, the Canadian subsidiary of Exxon of the U.S., and by other partners, to drill nine off-shore and on-shore wells in the eastern section of the Delta during the next five years.

Imperial has been a leading operator in the Mackenzie area and made the first oil discovery there in 1971 at Atkinson Point. With Gulf Canada and Shell Canada, it hold substantial gas reserves in the Mackenzie area.

However, exploration and development have been delayed for several years because of a Government decision not to allow pipelines from the Mackenzie river valley to run south towards Alberta.

The agreements are the first negotiated under the recent Canada Oil and Gas Act, designed to speed exploration and development in the north and off-shore.

The agreements cover 6m acres of land both on shore in the Mackenzie Delta and off-shore in the Beaufort Sea. They supercede existing rights held by Esso before the new legislation took effect in February.

Under the Government agreement with Imperial, the first well will be drilled at West Atkinson, 65 miles north-east of Tuk, the Arctic oil industry operating base.

The permit areas covered by the agreement total several million acres, half of which will be returned to the Government after the five years. Partners with Imperial include Petro-Canada, Hiram Walker Resources, Bralorne Resources, Bow Valley Industries, West Coast Petroleum and several other exploration groups. farm out a considerable portion of its land to 10 Canadian companies, with Home Oil of Calgary as operator.

Federal cash grants and tax breaks will cover about 70 per cent of the total expenditures, or about C$420m.

A series of similar agreements is being negotiated with other major oil companies to cover federally controlled lands in the north and on the east coast.

Moscow signs £90m aid pact with Nicaragua

MANAGUA — The Soviet Union has signed its first major aid pact with Nicaragua's left-wing junta.

The package involves $166.8m (£91.1m) in technical assistance and credits for Soviet-built projects. The deal was announced on Monday by President Daniel Ortega.

The five-year agreement makes the Soviet Union one of Nicaragua's chief benefactors, along with Mexico, Libya and Venezuela. It does not include emergency cash payments, which President Ortega is said to have sought to meet the country's estimated $400m trade deficit.

Sr Ortega told reporters on his return from a six-day visit to Moscow that Nicaragua's relations with the Soviet Union were "exemplary," because the assistance was "given without conditions."

This was an allusion to the Reagan Administration's cut-off of U.S. aid in March last year. The U.S. accused Nicaragua of supplying arms to left-wing guerrillas battling against the U.S.backed Government in El Salvador.

Government officials said Sr Miguel d'Escoto, Foreign Minister, had submitted another proposal to Washington suggesting negotiations and again insisting that Mexico take part as "a witness."

AP-DJ

Canadian companies hit

BY VICTOR MACKIE IN OTTAWA

CANADIAN BANKRUPTCIES in the first four months of this year were up 37 per cent compared with the same period of last year, as the recession continued to take its toll.

The Canadian Department of Consumer and Corporate Affairs said 850 businesses went bankrupt in April, pushing the total number of bankruptcies so far this year to 3,651. This compared with 2,653 in the corresponding period last year.

Debts of bankrupt companies totalled C$627.8m (£292m), almost double the C$318.8m for the first four months of 1981.

No sector of the economy has escaped, with wholesale and retail operations hardest hit. Service industry, construction, manufacturing, primary industries, financial institutions and property werealso affected.

Businesses in manufacturing based provinces of Quebec and Ontario are suffering most.

Lagos is costliest city

NEW YORK — Lagos has replaced Sokyo as the world's most expensive city to live in this year, according to a survey of 84 major cities conducted by a U.S. consulting group.

Business International Corporation conducted the survey using an index based on a shopping basket of food items, alcoholic beverages, household supplies, personal care items, tobacco, utilities, clothing, domestic help, recreation, entertainment and transportation.

The survey, the corporation said, should be considered an indication of "inflation for executives" because it takes into account the buying habits of that group. It is widely used by companies compensating expatriate personnel.

Business International cautioned that small changes in foreign exchange rates can significantly change the ordering of cities

The 20 most expensive cities in the world, according to the survey, are: Lagos, Tokyo, Oslo, Jakarta, Baghdad, Abidjan, Helsinki, Taipei, Zurich, Geneva, Singapore, Tehran, Abu Dhabi, Caracas, Douala, Riyadh, Sydney, Amman, Dakar, London.

U.S. consumers increase borrowing

U.S. consumers borrowed more money in March, a possible early sign of economic recovery, writes our New York staff. The Federal Reserve Board reported that instalment debt rose by $990m (£541m), the largest jump in six months.

The increase was particularly encouraging given that U.S. interest rates have declined little. Some economists fear the rise in borrowing could be a quirk, and they are warning people to treat the increase cautiously.

Some hospitals to be ruled out for Bupa cover

BY RAYMOND SNODDY

ONE OF Britain's largest employers has sent a letter to all employees covered by its Bupa health-care plan warnig them to avoid nine private London hospitals if they want to be covered by the scheme.

The decisioon reflects some companies' concern at the increasing cost of providing private health care for their employees. Bupa is asking for increases of between 100 and 200 per cent for renewing two-year "experience" contracts with companies where the premiums reflect the use made of them.

"One increase was 186 per cent and that was by no means the top," Mr Derek Damerell, chief executive of Bupa said yesterday.

The private hospitals named are believed to be: the Wellington Hospital, the Cromwell Hospital, the Harley Street Clinic, the Arrazi Hospital, thet Princess Grace Hospital, the London Clinic, the Park Clinic, the Welbeck Street Nursing Home, and the Garden Hospital.

The cost of one week's stay at the hospitals named varies greatly, from £630-£875 at the Garden Hospital to £1,113-£2,030 at the Wellington.

The company's approach to Bupa led to two seminars — each attended by a dozen of the top 100 companies in Britain—to discuss ways of cutting costs. Several other companies are believed to be considering issuing lists of hospitals which are "out of bounds" under their company scheme.

Mr Damerell said: "This is the beginning of a very important move towards more cost-consciousness, and this is the first time it has happened in this country."

There has been a pronounced increase in costs in the past two years. Mr Damerell believes at least part of this has been caused by "a number of profit-oriented hospitals which are charging more than they should for drugs and operating theatres."

Mr Derek Allen, Bupa general manager for marketing, said companies wanted to offer Bupa cover to more employees. But they also wanted costs kept at reasonable levels and the provision of high-quality medicine, not luxury.

The move against some of the more expensive foreign-owned hospitals is a symptom of growing unease that American and Arab interests may have overestimated the rate of growth of private medicine in Britain.

Bupa fears that economists may have extrapolated future trends from its 30 per cent growth in 1980 which coincided with the "winter of discontent" in the National Health Service and encouragement for the private sector from the new Conservative Government.

Bupa covers 3m people, and the other provident societies account for about 1m. Bupa believes the total will grow to about 6m by 1985. This is in stark contrast to some published estimates that the total will reach 12m by then. Bupa fears that some American hospital groups have been attracted by the "unrealistic" higher estimate.

The growth in Bupa membership seems to be gradually levelling out. Last year it was in the region of 13 per cent and this year it looks like being 8 per cent. The increases also disguise a rising cancellation rate.

BA seeking to phase delivery of Boeing jets

By Lynton McLain

BRITISH AIRWAYS has started talks with Boeing, the U.S. aircraft maker, to slow down delivery of 19 Boeing 757 Rolls-Royce powered airliners.

Nothing has been finalised with Boeing, but the negotiations are an attempt by British Airways to reduce the rate of its cash payments for the £400m order over the next three or four years in the face of high debts, continuing heavy losses and low growth in passenger air travel.

The State-owned airline lost more than £200m in the financial year to the end of March on top of a loss of £140m for 1980-81.

BA had called originally on Boeing to deliver the new 757 airliners in two stages. The first 16 aircraft were to be delivered between February next year and March 1984, with the remaining three aircraft for delivery by March 1985.

The last of the aircraft will now be delivered, subject to agreement with Boeing, by the end of 1985, British Airways said last night.

British Airways has only limited room for renegotiating a slower rate of delivery for the Boeing 757, for two reasons. Firstly, the aircraft is substantially more fuel-efficient than the Trident airliners it is designed to replace.

With fuel costs rising it is in the interests of the airline to have the more efficient, high capacity aircraft in service as soon as possible.

Second, new noise regulations apply to all airline operators from 1986, when British Airways' old and noisy Trident aircraft have to be phased out.

Reuters to pay first dividend since 1941

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

REUTERS, the international news agency, is to pay a dividend for the first time since 1941 after a fourfold rise in profit between 1980 and 1981.

Group operating profit rose from £4.14m in 1980 to £16.37m last year. Profit ater tax rose from £3.25m to £13.99m, and revenue from £90.10m to £138.80m.

The directors recommend that the organisation's first dividend in 41 years represent 14 per cent of after-tax profit.

Reuters, registered as a British limited company, is owned by proprietors' organisations and other bodies in the newspaper industry.

The Newspaper Publishers Association, the organisation representing Fleet Street proprietors, and the Press Association each hold about 41 per cent of Reuters shares: the Australian Associated Press 14 per cent and the New Zealand Press Association 3 per cent.

The company has stated in the past that its owners have "agreed to regard their shares in Reuters in the nature of a trust rather than an investment," and in recent years profits have been used to develop services and resources.

Several factors in the past year have produced the sharp improvement in profit which led to the decision by the directors to recommend payment of a dividend. They include reduction in strength of sterling as well as a generally buoyant demand for the company's services.

Mr Glen Renfrew, managing director, said yesterday that though between 1976 and 1980 Reuters' revenue more than doubled, only 3 per cent of new revenue was converted into profit.

In 1981 operating margins improved enough to bring 25 per cent of new revenue "through to the bottom line."

While the 1981 improvement in profit could not be expected every year, said Mr Renfrew, he hoped it would not prove a one-off year, but might indicate a return to the position of long ago when Reuters was able to pay dividends.

The development of Reuters has been marked by heavy investment in new technology in recent years.

Capital spending last year was £27.62m, a 154 per cent increase on 1980, and expenditure is planned to grow with a programme to develop satellite communications and more cost-effective subscriber terminals.

The company's most successful product, the Reuter Monitor, a system which enables users to take news and market prices from Reuter computers on video terminals, was reaching more than 10,000 subscribers by the end of last year.

Barclays charges to rise

BARCLAYS BANK is to introduce a new scale of customer account charges and increase the minimum balance needed for free banking from £50 to £100 from June 1.

The changes, which will affect about 156,000 Barclays personal account holders, bring the bank's tariff structure more into line with the other three major UK retail banks. Barclays reduced the minimum balance needed for free banking to £50 from £100 in June 1980.

However, the bank is reducing the charge for direct debits from 17.5p to 10p "to try and encourage their use." The charge for all other debits, including cheques, will increase from 17.5p to 20p.

Nuclear debate can be 'misleading'

By David Fishlock, Science Editor

NUCLEAR engineers must take care not to mislead the public into believing nuclear energy was more dangerous than it really was, Dr Walter Marshall, chairman of the UK Atomic Energy Authority, told a conference in London yesterday.

He was addressing a meeting on the British pressurised water reactor (PWR) at the Institution of Mechanical Engineers.

The Central Electricity Generating Board today publishes its statement of case to the Government for construction of Sizewell B, planned as the first of a series of 1,110 Mw PWR nuclear stations in Britain.

It is expected to show that the Sizewell B design will be about 25 per cent cheaper to build than a station based on the advanced gas-cooled reactor giving the same amount of power.

A pre-inquiry to establish guidelines for the conduct of a full-scale public inquiry into the Sizewell B project, scheduled to start next January, is being held by the inquiry inspector, Sir Frank Layfield QC, from June 1-3.

Dr Marshall urged engineers not to be drawn by the heat of debate over a controversial project into confusing verifiable fact with matters of opinion. It was their job to maintain high professional standards.

Mr Brian George, the CEGB's director for the PWR project, said there was to be "absolutely no relaxation of safety standards in order to introduce the PWR into this country."

Sizewell B would be designed to withstand winds of 140 miles per hour, and a major earthquake.

Discount card scheme upsets motor trade

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE Leicester Building Society's entry into the cut-price car business has ruffled a few feathers in a motor trade already suffering from very severe competitive conditions.

Holders of the Society's new Leicestercard have been told they can obtain up to 15 per cent off the basic list price of a new car.

In fact the Leicestercard Car Centre at Dunstable said yesterday that it could offer 16 per cent off the list price of a Renault 30.

He claimed the Leicestercard holder could get a 10 per cent discount on the best-selling Ford Escort, but Ford discounts are under review and about to be improved."

The scheme also offers between 13¼ and 13¾ per cent off the new Vauxhall Cavalier in spite of the fact that it is probably the car with the longest waiting list.

"We can offer quite a range of cars at a variety of discounts," the centre said. "Of course, for those cars for which there is a waiting list you would have to wait, but you would still get the discount."

Other quotations include up to 12 per cent off a Metro; 13 per cent off the Rover range and 14 per cent off the Range Rover.

The Motor Agents' Association said last night: "It is just incredible if what they are claiming is true.

"On some cars the dealer gets only 16 per cent. These discounts are ludicrous because they leave so little for the dealer. And how do they get a car like the Cavalier which is in such short supply?"

Leicester, ranged ninth in the building society league and a relatively small society with assets of £2bn, has linked with the privately-owned Countdown discount card scheme for its cut-price car operation.

Countdown has been operating since 1970 and now claims 1.5m fee-paying members.

It says that the car centre at Dunstable is already selling 800 to 1,100 cars a year to its own members and to do so it has links with about 20 dealers who provide the cars.

The Leicestercard was launched with a £1m promotional campaign on May 1 since when nearly 60,000 cards have been issued.

Some car policies to fall

BY ERIC SHORT

TWO LEADING motor insurance companies, Guardian Royal Exchange and Royal Insurance, have reduced motor insurance premiums for some of their policyholders in some areas.

Motor nisurance premiums are based on factors that include the age and experience of the motorist, the make and age of car and where the driver lives.

GRE, which insures more than a million motorists, and Royal, which insures about 500,000 motorists, have revised their geographical rating areas and thus reduced some premiums.

GRE has rerated many of its areas, including such diverse places as Birmingham, Manchester, Northumberland, Hereford and Worcester. Royal's revision affects most of Lancashire and Merseyside, Coventry and the West Midlands, North Essex, Norfolk, Avon, Durham, Gwent and most of Kent.

Insurance companies have been holding motor insurance premium rates steady over the past year or so in an effort to expand or hold their share of the UK motor market.

Goldsmith's move to U.S. leaves grocery field clear for Argyll

Ray Maugham describes why Allied Supplies is once again the target for a grocer with an eye for expansion

FOR THE second time in a decade, Allied Suppliers stands to serve the ambitions of a fast expanding grocer.

Ten years ago, Sir James Goldsmith paid £86.3m for the old Maypole, Home and Colonial and Liptons chain of 1,650 store.s Now, subject to the go-ahead from the Office of Fair Trading, Mr James Gulliver is preparing to pay £101m for the remaining 918 outlets.

The original deal made Mr James Goldsmith (he was knighted four years later) the biggest food retailer in the UK. Time and competition have eroded Allied's position to the point where its merger with Mr Gulliver's Argyll Foods business will establish the enlarged group as only the fourth largest food retailer in the country—after J. Sainsbury, Tesco and Asda—with an estimated 5.3 per cent of the national market for packaged grocery products.

The deal, like so many others in food retailing, has been struck between old acquaintances. Mr Gulliver prepared a bid for Allied in 1970, when he headed Associated British Foods' Fine Fare subsidiary.

The deal was blocked by the parent company and he passed the proposal over to Mr Goldsmith.

With the help of Allied's major shareholder, Unilever, Goldsmith was able to act on that idea two years later, building on the base of his earlier acquisitions of Bovril, Wright's Biscuits and the Moore's Stores network of 600 outlets.

Allied was absorbed into Goldsmith's quoted Cavenham Group, named after his father's house, until, disenchanted with Britain and the demands of a chairman of a public company, he gradually pulled his interests into the private sphere through a series of controversial deals in the mid-1970s and began to build a U.S. base.

If the Allied deal goes through, Sir James's business interest in the UK has ended apart from, as Hambros, his financial adviser, said yesterday, "possibly a tiny snuff company."

The bid for Diamond International, the New York-based forestry products group, valued at $670m, is the latest move in Sir James's U.S. build-up.

His first major acquisition in North America, after the failure of exploratory talks with Squibb Corporation and Liggett and Myers, was the $62m purchase of a 51 per cent interest (later topped up) in Grand Union, the East Coast supermarket chain.

Grand Union's 1978 acquisition of Colonial Stores for $114m eventually ran into problems with the U.S. Federal Trades Commission, and Sir James was ordered to divest. His subsequent quest for buyers led him to call Mr Gulliver at the turn of the year.

Mr Gulliver, knowing the views Sir James often expressed on the confines of quoted status in Britain, had a better deal to offer.

The plan to buy Allied was hatched. Ironically, Sir James' call to Mr Gulliver had another purpose—to offer his con dolences for Argyll's biggest setback to date.

Mr James Gulliver

Sir James Goldsmith

Hot on the heels of successful bids for Louis C. Edwards, the Manchester butcher, Morgan Edwards, the Shrewsbury based retail operation, a string of deals in the freezer food sector and a £19.5m offer for Oriel Foods, Argyll bid £87m last autumn for Linfood Holdings.

Had the Linfood bid succeeded Argyll would have gone into the number four slot in the food retailing league, adding some £1bn of turnover.

It would also have taken Mr Gulliver into large supermarkets through Linfood's Gateway and Carrefour operations.

Allied's 128 Presto stores, concentrated in Scotland and the North East of England, fill one obvious gap in Argyll's trading armoury, while complementing its geographical spread.

But the Linfood acquisition was blocked by an unexpected reference by the Office of Fair Trading to the Monopolies Commission. The bid immediately lapsed, and Argyll placed its 29 per cent Linfood stake.

Mr Gulliver and his advisers, Samuel Montagu, are hoping for better luck this time. The difference now may be that, while Linfood bitterly contested Argyll's approach, Sir James has been working hand in hand with Argyll and its reporting accountants.

Another possible difference, too, is that Argyll has consulted the OFT in advance, whreas in the case of Lmfood it did not seek official guidance until after its ambitions had become public.

However, it would be premature to read too much into Argyll's cheerful confidence in pressing ahead this time, particularly since the Food Manufacturers Federation is thought to have made a late, and possibly persuasive, pitch against the deal last November.

With a market capitalisation of £44m and net assets of £21.9m, Argyll is in no position to make an outright bid. Its proposals, in effect comprise a re-flotation of a leading stores group through an offer for same by tender.

With an anxious ear on the Falklands position, Samuel Montagu accepted the underwriting just after the 8.00 am radio news yesterday for the issue of 95m new ordinary Gulliver shares at a minimum price of 85p and a meximum of 100p.

The cash element of the acquisition, varying between £6m and £20m depending on the striking price, will be made up of loans from the merchant bank and its parent, Midland Bank.

Mr Gulliver and his deputy, Mr David Webster, are enthusiastic about the prospects. Their arguments for the economies of scale are by now well rehearsed and, in view of the swift and successful completion of the sub-underwriting yesterday, fully accepted in the City.

Argyll knows that the "prohibitive" cost of new stores development—each new unit would probably cost at least £2m and hypermarkets are usually valued at some £10m—precludes all but the biggest chains from persistent physical expansion.

"An ambitious, medium-sized group such as ours must grow by acquisition," Mr Gulliver stressed.

The business he needs to fulfil those aims has about 4.6 per cent of the packaged groceries market and a growing slice of fresh foods turnover.

But it has lost market share over the years since Mr James Goldsmith bought it

It seems that Sir James' Parisian company, Generale Occidentale has drawn off £115m in dividends from Allied over the past six years and Allied has probably "lacked the drive of an independent board of directors committed to development," Mr Webster said.

This is the crucial deal for Argyll. While Sir James gradually substituted his interest in groceries for a passion for printers' ink and, finally, all things American, Mr Gulliver and Mr Webster know that Allied is the final piece in the jigsaw.

Broker voices concern over high level of bank lending

Max Wilkinson reports on a possible conflict between bank policy and Government targets

THE RECENT rapid increase in *bank lending to the private sector* is likely to continue this year at the rate of about £1bn a month, according to a detailed analysis by Greenwell and Company, the broker.

In its April Monetary Bulletin, Greenwell says this rate of increase would be substantially more than the growth of the broad measure of money supply (sterling M3) envisaged in the Government's financial strategy.

It says: "If sterling M3 grows by 12 per cent per annum and notes and coins in circulation with the public (an important component of M3) grow at the same rate, bank deposits will rise by only £750m a month.

"The difference between the growth of loans and deposits is perturbing, because the balance *sheets of both banks and the* Bank of England are no longer in a position to take the strain.

"This is a major reason for concern about the current level of bank lending, and we can see no evidence from the recent data that the problem is likely to ease than seasonally."

Greenwell believes that increased demand for loans will continue from the personal sector as well as from companies. Some bank economists have suggested that the recent increase in bank lending to the personal sector represented *mainly* an increase in banks' share of the market at the expense of building societies and finance companies.

But Greenwell says a full analysis of lending to the personal sector during the last three years shows that this argument no longer holds good, since total lending from all sources has increased sharply.

Greenwell believes consumers have borrowed to sustain their spending at a time when the real value of disposable income has been falling.

It concludes: "Lending by the banks to the personal sector is unlikely to grow in 1982 by less than the £6.1bn increase in 1981 unless there is a major change in policy."

Estimates of the borrowing requirement of the corporate sector have been complicated by distortions resulting from last year's civil servants' dispute and some major statistical discrepancies in the national income figures.

In the current year, most forecasters expect the run down of company stocks to end and re*stocking to start*.

Greenwell says this and the expected increase in investment will put extra pressure on company finances, although these pressures are expected to be offset by a rise in undistributed profits.

From analysis of the purely economic factors, Greenwell believes that bank lending, including the purchase of commercial bills by the Bank of England, would be somewhat higher in 1982 than in 1981.

However, it says that the beneficial effects of recovery on companies' finances and liquidity could offset the higher financial needs which might be indicated by estimates of general economic considerations.

It says: "Given the discrepancies in the basic data, any conclusion is necessarily tentative: In our view, however, there is little firm evidence that bank lending to the corporate sector in 1982 will fall below our estimate of its current underlying annual rate of growth of £6bn."

Oil companies study new rock test method

BY NICK GARNETT, NORTHERN CORRESPONDENT

SIX MAJOR oil companies are holding negotiations with a small UK company, Datachem, on a new technique for evaluating gas and oil-bearing rock which could significantly reduce exploration and drilling costs.

Datachem has been set up by the University of Manchester Institute of Science and Technology to handle the commercial application of the new technique, which has been devised in Umist's Department of Chemistry with the support of the Department of Energy.

The new method for identifying rocks which have oil or gas generating potential cuts down the four-to-14-day analysis time of existing techniques to as little as one hour.

Umist said yesterday that the method should shave companies a proportion of their test drilling costs, estimated last year at about £60,000 a day for an average offshore rig.

The improvement in the evaluation time for core samples "will make a major contribution to the development of North Sea and other deep-Institute said.
ocean exploration sites," the

Datachem is offering a testing services to oil and gas companies but there is also the prospect of marketing the equipment for sample evaluation on the test rig itself.

At least one of the six oil companies is interested in a much bigger application than is currently on offer from Datachem.

The research team, under Mr John Bather, a Unist lecturer, has been supported by a £160,000 grant from the Energy Department. This followed much smaller cash funding from Burmah Oil and Conoco during the eight-year research programme.

The Unist method, the patent for which is now held by the Energy Department, involved developments in both computer analysis and chemistry.

The chemical operation involves the heating of rock under controlled conditions, separation of the resulting gases, and the use of a mass spectrometer for chemical identification.

Mr Bather said yesterday that the results from this method were just as accurate as those obtained by traditional and slower analytical techniques.

RNLI tribute to crew of the Penlee

BY JAMES McDONALD

BRITISH lifeboatmen saved 1,051 lives last year, many of them in severe gales, blizzards and storms, but at the cost of eight of their own lives.

At the annual meeting in the Royal Festival Hall, London, yesterday of the Royal National Lifeboat Institution, the Duke of Atholl, the chairman, paid tribute to the eight-man crew of the Penlee lifeboat, Solomon Browne, who were lost last December trying to save the crew of the coaster, Union Star.

The families of the lifeboat crew, the Duke said, had been an example to the whole country. "In the midst of great sorrow and harrowing publicity they have remained dignified and calm."

Last year there were 2,947 lifeboat services, the highest number since the foundation of the RNLI, with 1,051 lives saved. Since the institution's formation in 1824 the RNLI has saved 107,625 lives.

The Duke said it had cost £14m to operate the RNLI last year and the institution would need £16m in 1982. Praising the organisation's fund raisers, he added: "It shows that our voluntary system is strong enough to weather economic storms and to continue to provide the money to build and maintain a first class fleet of lifeboats, giving the nation unrivalled value for money."

Development overlap 'crazy' says CBI

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE UPSURGE of separate agencies promoting and financing industrial development was attacked as "utterly crazy" yesterday by the CBI's northern region. Mr James Cran, the northern region director, said the expansion of such agencies have progressed in such a way as to be "totally nonco-ordinated and chaotic."

The northern region has at least 45 separate agencies promoting investment, 25 of them under local authorities. This competitive involvement of local councils—some within a few miles of each other and offering such incentives as cheap finance, specially low-cost premises and "rates holidays"—has particularly worried the region.

It was soaking up public money unnecessarily and could be acting as a break of the attraction of new industry, Mr Cran said. "People are totally confused by this. This is not how to attract investment."

Many local authorities were also involved in economic development without having the necessary skill *to do it*.

The northern region is supporting Government intentions to apply further limits to local authority power.

Toxteth schools 'unchanged' since riots

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

LIVERPOOL'S mixed-party council was accused by the state's educational inspectorate yesterday of making no educational improvement in the Toxteth area likely to reduce the chance of repeats of last summer's rioting.

Sir Keith Joseph, Secretary for Education and Science, has asked for an urgent meeting with the Liverpool education authority to discuss the inspectorate's report on Toxteth, which says: "The conditions surrounding the civil disturbances still exist, as do the shortcomings of the education service."

But it was emphasised that Sir Keith is not making a legal intervention under the Education Acts.

The report accuses councillors on the local education authority of an apparent inability "to agree on, or pursue any, positive responses to many of the major problems" in an area of extreme urban deprivation.

Unemployment among men is 34.7 per cent and among women 15.3 per cent compared with Liverpool averages of 21.6 and 8.9 per cent. About 35 per cent of 16- to 18-year-olds are jobless, many being unqualified and disdainful of Youth Opportunities Programmes.

"Local authority indicators show the incidence of children in care in Toxteth as being about six times the city average, illegitimacy four times, and job instability, long-term unemployment, infant mortality, delinquency, infestation, and parasitic disease rates all more than twice the city average."

Some schools regard 20 per cent truancy as good.

The rioting by children during lessons at St Saviour's primary school in February was an isolated incident, but "vandalism outside school hours is a continuous problem. . ."

The Liverpool authority has overspent Government targets on education and other services, but the inspectors say the high cost of education in the city "is a result of there being too much education plant in the schools' sector for the clients who use it and the difficulties of operating an effective policy for the management of the teaching force."

Although the city's school-age population has been falling twice as fast as the national average, schools have been kept open. Several secondary schools serving Toxteth have a lot of unused capacity; one with a library stocked for 1,700 children is attended by only 329.

Since the local authority has decided to cut its teacher numbers by natural wastage, schools often have surplus staff in some subjects and shortages in others. One comprehensive has no specialist English teachers.

Since Liverpool is now under Government pressure to cut its spending, the report adds, the education authority's lack of policies suggests that there will be further cuts in books and materials, maintenance of buildings, remedial and other support teaching, and the youth service.

"Further reductions in financial and other resources will make the conditions under which many teachers work less tolerable and have an adverse effect upon their morale and effectiveness."

Educational Provision by Liverpool Education Authority in the Toxteth Area. Free from Department of Education and Science, Honeypot Lane, Canons Park, Stanmore, Middlesex HA7 1AZ.

Central education funding costed

BY ROBIN PAULEY

IF THE Government took all funding of education away from local authorities to reduce rates, income tax would have to rise by 3.7p in the pound or VAT would have to be increased by 3.9 percentage points to nearly 19 per cent, the Association of Metropolitan Authorities said yesterday.

The Department of Education and Science is proposing that 75 per cent of education expenditure be funded by a new and separate education block grant. Its paper to that effect has been circulated to Ministers and will be presented to the Cabinet at the end of this month.

The AMA has calculated the effect of 100 per cent funding and 60 per cent funding from the centre, as it was unaware that the DES proposal was 75 per cent.

The 100 per cent option, favoured by some Conservative and Labour MPs, including Mr Neil Kinnock, shadow education secretary, would mean a £3.85bn cut in rates, which would mean £110 less on the average domestic rates bill if all ratepayers were to benefit, a fall of about 39 per cent.

If only domestic ratepayers were to benefit, the saving would be £223 a year, or 79 per cent of the average annual bill. On the other hand, the average taxpayer would pay £192 more in income tax a year.

Government refuses direct extra powers over LEAs

BY OUR EDUCATION CORRESPONDENT

THE GOVERNMENT yesterday refused to take extra power to ensure minimum standards of educational provision by local authorities, despite the State educational inspectorate's published judgment that only five of England's 96 local education authorities are completely fulfilling their legal duties.

The refusal came in the Government's reply to the Commons Select Committee on Education, whose wide-ranging report released in February included a call for the power of central intervention.

The Government said that extra power of intervention would disturb the balance of responsibilities between central and local government which "has proved both sensible and workable.

Drink problems for lawyers

DRINK PROBLEMS are on the increase in the legal profession, two High Court judges were told yesterday. The general public thus saw a face of the profession which was wholly undesirable, said Mr Jonathan Harvey, counsel for the Law Society.

The court dismissed an appeal by Mr Jeremy Fraser-James, 40, of Paignton, Devon, against striking-off by the Disciplinary Tribunal last July after he was found unable to give proper advice to a client. Mr Ian McCulloch, his counsel, said he "went to drink" after the woman he was to marry revealed she was being kept by another man.

Mr Justice Webster said the Law Society had indicated it would consider readmission when it thought Mr Fraser-James medically fit.

Jenkin rejects textile industry plea for aid

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

A FOUR-POINT plan put to the Government for further help to the textile industry was turned down yesterday by Mr Patrick Jenkin, Secretary for Industry.

He told the British Textile Confederation that matching the assistance being given by other European governments to their textile industries was not the best way to overcome the present problems of the British industry.

Such a move "would go against all that this Government has stood for in industrial and economic policy," he stated.

That policy was beginning to produce positive results. If the textile industry received aid others would come "knocking at my door. The queue for similar help would be a long one." The result would be pressure leading to higher interest rates, and, inevitably, higher inflation.

He admited being worried by the increasing levels of state aid in other EEC countries. "Some of our partners have launched substantial schemes to help their textile and clothing industries. In some cases, this may amount to outright subsidy of uneconomic production."

To counter this, he is to write to the EEC Commission in Brussels this week urging it to stop the upward spiral of state aid and suggesting it apply the guidelines more effectively.

For the industry, Mr Russell Smith, president of the confederation, has put forward a four point plan in London at the confederation's annual lunch. This advocated:

- More Government help to sharpen the industry's competitive edge;
- Action against the rising tide of textile imports from the EEC;
- Surveillance to ensure goods did not flood in from low-cost suppliers;
- Official help to boost exports.

Mr Smith said the confederation would soon be presenting the Government with a programme of "positive and constructive proposals" to help the industry. At the moment, only 1 per cent of Department of Industry spending on industrial support went to the textile industry, "a miniscule amount in relation to our importance in the national economy."

EEC imports rose by 26 per cent last year, partly as a result of an overvalued currency and partly as the result of UK capacity being knocked out in 1980 by the recession and cheap imports from the U.S., he said.

Other European governments were supporting their industries strongly, especially the Italian, French and Belgian. "In Italy, for instance, massive injections of public finance into man-made fibre companies have been made to meet losses amounting in some cases to over 50 per cent of turnover.

"These have enabled the Italian industry to increase capacity by more than 8 per cent at a time when it has declined by 41 per cent in the UK."

On low-cost imports, Mr Smith reiterated his concern at some aspects of EEC policy, and on exports he called for a "stable and realistic" level for the pound.

- Mr John Lister, chairman of ICI Fibres as well as of the British Man-Made Fibres Federation, was elected deputy president of the Confederation. He will succeed Mr Smith as president in 1983.

More aid for factories switching to coal

By Maurice Samuelson

FINANCIAL ASSISTANCE for factories wanting to switch to coal is to be broadened later this month to cover 75 per cent of the cost of converting boilers and other equipment.

The Government is expected to announce shortly that British companies can apply for soft loans from EEC funds covering up to 50 per cent of the cost of replacing oil or gas by coal.

This is in addition to Department of Industry grants covering up to 25 per cent of conversion costs made available in last year's Budget.

At first only £15m of EEC money will be accessible to UK applicants, the maximum for which the Treasury has approved exchange risk cover. But if it is all taken up, the Treasury will be asked to raise the ceiling to £100m.

The EEC money comes out of £400m on which the UK can draw in 1982-83 for a wide range of industrial and social uses. It is offered to borrowers over five years at 3 per cent below commercial interest rates.

Under the Industry Department's boiler conversion scheme another £50m was made available during 1981 and 1982 as grants covering up to 25 per cent of conversion costs.

By the end of last month the department had 92 applications involving total investment of nearly £100m. They include about six very large industrial consumers.

There has been a particularly sharp rise in the number of inquiries since this year's Budget, which opened the scheme to a wider range of applicants. It now includes businesses wishing to replace gas by coal. Previously it was available only for those replacing oil.

However, there is so far little sign of interest from other sectors brought into the scheme this year. These were businesses with conversion schemes costing as little as £15,000 (the previous minimum was £25,000) and for conversion of plant other than boilers.

New course from business school

BY ARNOLD KRANSDORFF

A NEW part-time study course for managers in both the private and public sectors of industry is being launched by the London Business School.

The course—a post-graduate programme leading to a masters degree in management—is the first in the UK structured to cater for the public sector.

It will be open to about 60 placements, and will almost double the number of places available in London for part-time masters students. Similar courses, but without the public sector bias, are available at City University, and at Brunel University in association with Henley — The Management College.

The organisers believe that it will expose managers in both the private and public sectors to views and methods of doing business in a wide range of organisations.

"In this way, it provides a vital bridge between the private and public sectors," says Sir Terence Beckett, chairman of the school's governing body and director-general of the Confederation of British Industry.

The course, which costs £941 a year, starts next January. It will be open to managers with at least three years' practical experience and who have a recognised university honours degree or equivalent qualification.

The organisers expect successful applicants to be aged between 25 and 35 and to be sponsored by their companies.

An important feature of the course is that participants will not have to commit themselves to extended periods of absence from work. The programme is spread over 32 days a year, mostly in one-day or half-day sessions, and with three periods of one week. The course is completed after two and a-half or three years, depending on the amount of work a student can devote to it.

There are three elements to the programe—separate "core" courses for private- and public-sector managers, optional course on speciality subjects, such as negotiation, office automation and small business, and an individual project likely to relate to the participant's company or organisation.

Trafalgar House ready to outline plans for RDL

BY MAURICE SAMUELSON

TRAFALGAR HOUSE group is expected to outline its plans for running its new heavy engineering acquisition, Redpath Dorman Long, when it meets unions representing RDL's workforce and management at a special meeting in York next Wednesday.

Last month Trafalgar completed its £10 mpurchase of RDL from the British Steel Corporation following bitter union allegations of a political "give away" of nationalised assets to one oft he Government's leading supporters.

The last remaining question mark over the sale is whether the Office of Fair Trading has recommended that it should be referred to the Monopolies and Mergers Commission. Lord Cockfield, Trade Secretary, is belived to be on the brink of announcing the OFT's recommendation and his reaction to it.

It is believed that the OFT has not advised the Trade Secretary to refer the sale to the Monopolies Commission. If it were to suggest a referral, Trafalgar has the option to withdraw from the deal immediately.

Unions and some RDL managers have claimed that the sale creates a monopoly in heavy steel structure engineering since Trafalgar owns RDL's only serious UK rival, Cleveland Bridge and Engineering.

RDL senior managers at Bedford are believed to have emerged somewhat assured from introductory meetings with top Trafalgar executives, including Mr Eric Parker, managing director, and Mr John Fletcher, managing director of Cleveland Bridge.

RDL is expected to retain its corporate image within the Trafalgar fold. However, it is not yet clear whether it will lose its Bedford head office.

The deal in which RDL was purchased from BSC allows for up to 700 of the 3,200 employees to be made redundant in the first year.

Thatcher sets out position on Falklands talks

BY IVOR OWEN

A SPECIFIC timetable for the withdrawal of Argentina's troops from the Falkland Islands in "a comparatively short time" must form part of any United Nations ceasefire proposals, the Prime Minister insisted in the Commons yesterday.

She was also adamant that the Argentine junta must not enter negotiations following a cease-fire in the belief or on condition that they would end with Britain ceding sovereignty over the islands.

The robust manner in which Mrs Thatcher spelled out these "fundamental principles which we cannot fudge in any way" brought a roar of approval from the Government benches.

Tory MPs gave another demonstration of enthusiastic support for the Prime Minister when she rejected repeated demands by Mr Michael Foot, the Opposition Leader, for an assurance that the House of Commons would be consulted before the Government turned down any peace proposals by Sr Javier Perez de Cuellar, the UN Secretary General.

Firmly refusing to allow the Cabinet's hands to be tied she declared "the Government has responsibility and will shoulder that responsibility. It will stand before this House and defend its decision."

Mr Foot, jeered by Tory MPs in some of the noisiest exchanges since he urged greater involvement of the UN Secretary General a fortnight ago, argued that it would be wrong for the Government to reject any proposals for a peaceful settlement before consulting the Commons.

The discussions taking place under the auspices of the Secretary General were of the greatest importance, he said, and the House was entitled to an opportunity to judge the outcome before the Government made a final decision.

To Labour cheers Mr Foot warned that a decision taken by the Government without first consulting the Commons might "utterly frustrate and destroy" the UN Secretary General's proposals.

When the Opposition Leader recalled that many Labour MPs had denounced the fascist nature of the Argentine junta long before the Falklands crisis the Prime Minister retorted: "Taking the view of it that you do I hope you will support the Government in its every act."

This brought angry shouts of "No" from the Labour benches, and Mr Foot said he was sure that, on reflection, the Prime Minister would recognise that she could not expect unquestioning support.

The House of Commons, he said, had treated the Government very leniently over the Falklands crisis and was entitled to an opportunity to make a judgment on any proposals made by the UN Secretary-General.

"I believe that is what the Prime Minister owes to the House of Commons and the country," he said.

Mrs Thatcher retorted: "You have asked the same question. I give the same answer."

Mr Michael Neubert (Con Romford) suggested that Argentina was deliberately seeking to spin out the negotiations with the UN Secretary-General to suit its own advantage.

The Prime Minister said the negotiations had been expected to "take a little time" and emphasised that they did not close off any military options for the British task force.

Mr Tony Marlow (Con Northampton North) contrasted the ready support which Britain had received from other Commonwealth countries and from the United States with the attitude of the EEC.

"Our Community partners seem to be flapping around like so many decapitated chickens," he said.

The Prime Minister said Britain had received "very staunch support" from its Community partners since the beginning of the "Falklands campaign."

She hoped and believed that of the week to continue the ban on imports from Argentina. the EEC would decide at the end

PM calls for public pressure on BBC

By Ivor Owen

AN ANGRY Mrs Thatcher yesterday urged members of the public who felt affronted by BBC television coverage of the Falkland Islands crisis to make their opinions known direct to the BBC by letter or telephone.

Monday night's Panorama programme, which was described by Mrs Sally Oppenheim (Con. Gloucester) as "odious and subversive," came in for particular condemnation from the Government benches.

Mrs Thatcher said she shared "the deep concern" expressed "on many sides" about the content of the Panorama programme.

To Tory cheers she said: "I know how very, very strongly many people feel that the case for our country is not being put with sufficient vigour on certain of the programmes."

She acknowledged the assurance by the BBC chairman, in vigorous terms, that its attitude to the situation was not one of neutrality.

To further Tory cheers she commented: "I hope his words will be heeded by the many who have responsibility for standing up for our Task Force, for our boys and for our people and for the cause of democracy."

Mr Michael Foot, Labour leader, underlined his determination to defend freedom of discussion in Britain, and said he was sure that BBC journalists were trying to do their duty in very difficult circumstances.

He called on Mrs Thatcher to take some steps to reprove the attitude of some newspapers which had supported her and the Government.

Amid cheers from Labour MPs Mr Foot denounced the "hysterical blood-lust" of the Sun and the Daily Mail — "papers which bring such disgrace on the journalism of this country."

Mrs Thatcher said the media had complete freedom to discuss and publish what they wished. "Equally, as Mr Foot has just demonstrated, we are free to say what we think about them."

Opposition presses for emergency debate

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE OPPOSITION has called for an emergency debate in the Commons tomorrow to allow MPs to discuss the diplomatic options available to Britain in the Falklands dispute.

This follows a sharp exchange during Prime Minister's Question Time yesterday when Mrs Thatcher repeatedly refused Labour leader Mr Michael Foot's demands that the Government should not reject any options without first consulting parliament.

The Opposition was relieved at indications that Mr Francis Pym, the Foreign Secretary, may be receptive to United Nations proposals which may require some flexibility on Britain's part. Labour evidently fears, however, that he may be overruled by the so-called "War Cabinet."

Mr Foot was strongly supported by Labour back benchers when he insisted that no opportunity for reaching a diplomatic settlement should be ruled out before the House was consulted.

Earlier, however, he failed to secure his party's backing for a motion calling on the Government to refrain from any military action which might hinder efforts for a peaceful settlement.

The motion, seconded by Labour deputy leader Mr Denis Healey, was put at a meeting of the international sub-committee of Labour's national executive committee.

It immediately ran into trouble from the left wing, which wanted the sub-committee to endorse an alternative motion calling for an immediate truce before more lives were lost in the South Atlantic.

This motion, put by party chairman Dame Judith Hart, and seconded by Mr Tony Benn, was virtually identical to an Early Day Motion tabled in parliament last week which has the support of 80 Labour MPs.

Concerted efforts to get the two sides to agree to combine their motions failed, whereupon Mr Eric Heffer and Mr Alan Hadden proposed that the committee reaffirm the NEC's last policy statement on the issue, calling on the Government to respond immediately and favourably to the efforts of the UN Secretary-General, Sr Javier Perez de Cuellar.

Even this move was rejected, and the meeting finally closed after nearly 90 minutes of fruitless argument with no advance on previous policy.

The discussion does, however, appear to have increased bitterness between the participants. Mr Tony Benn claimed afterwards that he had been gagged, prompting a tart denial from the committee chairman Miss Joan Lestor, and accusations from other MPs that Mr Benn was pursuing an unacceptable policy for totally unacceptable personal reasons.

The committee's inability to advance policy as the crisis develops reflects wider divisions within the party which the leadership is finding difficult to reconcile.

While 80 Labour MPs have publicly supported the call for a truce a roughly equal number have quietly let it be known that their support for the Government is almost unequivocal.

By concentrating on the importance of UN involvement in finding a settlement the party leaders have so far managed to minimise these difficulties, but they appear unable to move any further forward.

Labour urges independent Laker inquiry

Financial Times Reporter

MR JOHN SMITH, Shadow Trade Secretary, called on the Prime Minister yesterday to set up a full independent inquiry into the collapse of Laker Airways. Dr Gerard Vaughan, Consumer Affairs Minister, refused in the Commons on Monday to agree to an investigation.

Mr Smith asked: "Following the revelation that Laker Airways is likely to have a deficiency of £260m, and the admission by Ministers that the Civil Aviation Authority informed them of their concern at the finances of Laker Airways months before the eventual collapse," for an "independent inquiry by the CAA and by the Department of Trade."

"The CAA have statutory duties to monitor the financial position of licensed airlines and in turn such responsibilities attach to the Department." He was "concerned that no action appears to have been taken to withdraw the licences from Laker Airways, or otherwise to protect the public, in the months before the eventual collapse.

"I believe it is important to establish what advice was offered to Ministers by the CAA in their statutory capacity, and what action Ministers took."

Heath and Jenkins lead opposition to hanging

FINANCIAL TIMES REPORTER

FORMER Prime Minister Mr Edward Heath told the Commons last night that he did not believe the reintroduction of the death penalty would make him safe from threats and attacks.

"If I were the victim of terrorists I would not wish them to be hanged for revenge.

"That would deepen the bitterness that already exists, particularly in Northern Ireland," he said.

Since the abolition of the death penalty it had been revealed that a number of people had been wrongly condemned. This was "quite unforgivable."

MPs were debating amendments to the Criminal Justice Bill designed to restore the death penalty to the courts.

The general proposal put forward by senior Tories led by lawyer Mr Edward Gardner (South Fylde), chairman of the Conservative back bench home affairs committee, stated unequivocally: "A person convicted of murder shall be liable to capital punishment."

Three other clauses were tabled by Mr Vivian Bendall, MP for Ilford North, and one by Mr Teddy Taylor, the MP for Southend East, giving the Commons the chance to vote for return of capital punishment for:

- terrorism involving loss of life;
- murder of police and prison officers;
- murder committed by means of firearms or explosives;
- murder in the course of robbery and burglary.

Mr Bendall predicted that without policemen being given the protection of the death penalty almost all officers would have to be armed and shootings on the street would increase.

Public opinion polls and the Police Federation campaign showed that people wanted to bring back capital punishment.

But Mr Roy Jenkins (Glasgow Hillhead) urged the House to vote against the death penalty.

It would do nothing to help innocent people feel more secure. It would in fact put them in danger, as it would be likely to lead to an increase of terrorism, he said.

Lords defeat for Government on Gas Bill

By Ivor Owen

THE GOVERNMENT was defeated in the Lords last night over its proposed sale of the High Street showrooms of the British Gas Corporation.

Tory backbenchers joined Labour, SDP, Liberal and cross bench peers in carrying an amendment to the Oil and Gas (Enterprise) Bill.

By a majority of 15 (114-99) peers approved an amendment requiring that any sale of corporation assets, including the showrooms, must not impair essential services or imperil supplies or the safety of consumers.

Baroness MacLeod of Borve (Conservative), a former chairman of the Gas Consumer Council, was among those who supported the amendment.

She said she was very unhappy about the proposals to sell the showrooms, and warned: "I am certain that we will have many more explosions."

The Government made it clear later that it will seek to reverse the Lords' decision at a later stage of the Bill.

Hamilton made assistant Tory Whip

By Our Political Editor

A STRONG SUPPORTER of the Government's economic policies, the Hon. Archie Hamilton, the MP for Epsom and Ewell, has been appointed an assistant Whip. He replaces Mr Nicholas Budgen, who resigned on Saturday because of his opposition to the Northern Ireland Bill.

Mr Hamilton was previously Parliamentary Private Secretary to Mr David Howell when he was Energy Secretary in 1979, though later Mr Hamilton resigned.

The appointment of Mr Hamilton maintains the political balance within the Whip's team, since he has broadly similar economic views to those of Mr Budgen.

Lloyd's members claim key clause is divisive

BY JOHN MOORE, CITY CORRESPONDENT

A KEY clause in legislation for improving self-regulation in the Lloyd's of London insurance market could divide the membership, a Lords select committee was told yesterday by Sir Frank Layfield, QC, acting for a group of Lloyd's members seeking to amend the Lloyd's Bill.

The controversial clause, one of several opposed by Lloyd's members during the committee readings of the Bill, seeks to classify members of Lloyd's into working members—those who act as brokers and underwriters—and external members, those who provide the capital but who do not work at Lloyd's.

Sir Frank Layfield reminded Lloyd's chairman, Mr Peter Green, that two associations of external members of Lloyd's had been formed. Hedescribed this move as a warning sign that members were now seeing themselves as interested groups in a market which was once a united whole.

Mr Green said that so far the level of interest expressed in the associations had been small and did not show much unease in the membership as a whole. He dismissed Sir Frank's assertion that the united market was beginning to fragment. Lloyd's may be a united body, he said, but unity did not mean that members all thought the same

He said the new legislation, where for the first time external members of Lloyd's would be properly represented on a new Lloyd's council, offered all members greater scope to exercise their rights.

Trident nuclear submarines cost estimate too low, report says

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE GOVERNMENT has underestimated the costs and difficulties of building Trident submarines to launch the U.S.-built Trident nuclear missiles it plans to buy, a report to the Commons defence committee alleges.

Much publicity has been given to the cost of the missiles, which is put at £7.5bn. But the defence committee has been advised that the cost of the submarines is more likely to rise than the cost of the missiles.

The D5 missile chosen by Britain is still under development in the U.S., but Britain is to pay a fixed development levy which should control overall costs.

The submarines, at some 18,000 tons, will be twice the size of the Polaris class, the largest built in British yards, while the Government has admitted that the new PWR2 propulsion unit makes the submarine "to all intents and purposes a prototype."

The report also suggests that the four submarines will take longer to build than the Government has publicly acknowledged, and that this is likely to make it impossible to build any conventionally-armed nuclear-powered submarines for a decade.

This is likely to mean a fall in the number of such submarines in service.

The report was written by Professor Lawrence Freedman, and is published by the defence committee today together with evidence on the Trident decision given to the committee by Mr John Nott, the Secretary of State for Defence on March 17.

At that session Mr Nott indicated that immediate pressure on the defence budget would be eased by the decision to buy the larger and more powerful D5 missile. But he failed to answer many MPs questions on the precise cost of the D5 system.

Mr Freedman's paper highlights many of those uncertainties. He notes for example that the proportion of the £7.5bn total which is to be spent in the U.S. is now much greater than it would have been under the earlier system incorporating the smaller C4 missile.

Under the original programme spending in the U.S. on missiles, ship-installed weapons, and supporting services was 30 per cent against 45 per cent now. Mr Freedman suggests some of this increase will be attributed to the submarines themselves, which the Government had said would be entirely British.

Strategic Nuclear Weapons Policy, defence committee, HMSO, £4.25.

Commons Sketch

Gallows talk takes the House back to the 60s

IT WAS an eerie experience to watch yesterday's hanging debate in the Commons, rather as though the clock had been turned back two decades to the early years of the libertarian 1960s.

There was the sober suited Roy Jenkins, the eloquent rotund phrases flowing out, the left hand raised in that unique chopping motion and occasionally brought down like a mallet.

On the opposite side of the House was the silver-haired Edward Heath, presenting his arguments with the moral fervour of a Presbyterian minister, but with a leavening of wit that was sadly lacking in his old days as Conservative Prime Minister.

On this occasion, however, they were both speaking from below the gangway and they were both in total agreement in their opposition to the return of capital punishment abolished in 1965 by Act of Parliament.

Once again, the Conservative Law and Order hard-liners were on the offensive, undeterred by their defeat last July when a motion urging the reintroduction of hanging was thrown out by a majority of 119.

They had put a series of new clauses to the Criminal Justice Bill, peppering the Order Paper with a range of options including a straightforward return to hanging, a *mandatory referendum* on the subject, capital punishment for terrorists, for those murdering with firearms or explosives, or for those killing policemen or prison officers.

Macabre ritual

The case for hangers was put by Mr Vivian Bendall (Con, Ilford North) who relied heavily on statistics of violent crime, murder and terrorism. But he did not make much attempt to prove that hanging would reverse the rise in the number of victims. Instead, he offered some unsubstantiated assertions such as: "If innocent people are maimed or killed then I believe the only answer is the deterrent of the death penalty."

In his first speech in the House since winning Hillhead for the Social Democrats, Mr Jenkins gave an impressive performance, showing he had lost none of his old parliamentary guile. It certainly made a change from listening to Dr David Owen, the SDP parliamentary leader, who has been doing his best to eclipse Roy in the Chamber.

Backed up by his experience of two terms as a reforming Home Secretary in the Labour Government, Mr Jenkins said that there could be a case for the "repugnant, macabre ritual of the death penalty" only if it was proved that it would provide greater security for the public. But he had seen no evidence of this.

Mr Heath also made a shrewd contribution pointing out that the public demand for a return to hanging as shown in recent public opinion polls arose because people confused the rise in violent crime with the murder rate.

Odd thought

Scornfully, he pointed out the anomalies of the old Homicide Act of 1958, which he helped to get through the Commons when he was Chief Whip.

If you killed a public figure who was crossing Parliament Square, you would be guilty of murder under that Act. But if you poisoned your wife, he said, it seemed to be just a matter between the two of you. By the time Mr William Whitelaw, the Home Secretary, rose to speak against capital punishment, it was clear that the pro-hanging lobby were in for another defeat.

Most of Mr Whitelaw's arguments were solidly-grounded, but he did produce one odd train of thought when he pointed out that one of the objections to bringing back hanging was that it would mean the revival of the old hangman's skills, which had fallen into disuse over the past 20 years.

John Hunt

UK NEWS – LABOUR

Workers on farms call for £120 minimum

By Our Labour Staff

DELEGATES from the 70,000-strong farmworkers' union yesterday backed a radical claim for a £120 minimum weekly rate and a 35-hour week at the union's conference in Skegness.

A large majority of delegates backed the claim in preference to a vaguer demand for "a substantial increase in wages." The present minimum for farmworkers is £70 for a 40-hour week.

The National Union of Agricultural and Allied Workers, now part of the Transport and General Workers' Union, is holding its last biennial conference as a separate union. It will henceforth be known as the Agricultural and Allied Workers' National Trade Group of the TGWU.

The union also backed a renewed call for the banning of the controversial chemical 245T. Mr Chris Kaufman, speaking for the executive, said: "The experts got it wrong over asbestos and they have got it wrong over 245T." The substance is a weed killer which is alleged to cause cancer, miscarriages and birth deformities.

Another motion calling for the disbandment of the Ministry of Agriculture's Pesticide Advisory Committee and its replacement by a special Health and Safety Executive Committee with mandatory worker representation was passed unanimously.

London could face more bus disruptions

By Our Labour Staff

LONDON Transport yesterday risked further clashes with 18,000 bus drivers and conductors by offering them pay rises of only 5 per cent.

Transport and General Workers' Union leaders believe industrial action over pay, in addition to the lightning stoppages being mounted over service cuts, cannot be ruled out.

London Transport's budget for 1982 originally provided for a 7 per cent increase in wages, but this was reduced to 5 per cent after the Law Lords' ruling against cheap fare subsidised by the Greater London Council.

The TGWU is claiming a cost-of-living increase and consolidation of leave days to make five weeks holiday a year. Mr Bill Morris, national passenger services secretary, said LT workers were not prepared to pay the price of the Lords ruling in jobs or pay.

Top civil servants warn of strike

BY IVO DAWNAY IN SOUTHPORT

EXECUTIVE GRADE civil servants yesterday backed a call from senior union officials for indefinite all-out strike action, if next year's pay offer fails to meet their demands.

The decision was pressed by an overwhelming majority at the Society of Civil and Public Servants' conference in Southport and comes against a background of deep concern that the outcome of the inquiry into civil service pay, expected shortly, will be unacceptable.

Senior officials of the 100,000-strong union said that "impeccable sources" indicated that the inquiry, headed by Sir John Megaw, is set to ignore the unions' requirements for a deal in six key areas.

The officials believe that machinery to be proposed by the inquiry will:

- Give a formal role to market factors, including the availability of labour, before drawing direct comparisons with pay in the private sector. Cash limits will also play a role in determining the level of increase.
- Fail to guarantee regular annual assessments.
- Make a single overall comparability award without examining individual staff groups alongside their counterparts in private industry.
- Allow the maintenance of existing internal differentials within the Civil Service to override the need for fair comparison with private companies.
- Exclude unions from access to, and interpretation of, comparability data in favour of private management consultancies.
- Abandon the unions' right to unfettered arbitration as a last resort in disputes, and allow the Government a veto on independent intervention.

Mr Gerry Gillman, SCPS general secretary, gave a clear warning to the conference that if the inquiry's findings followed these lines it would be unacceptable and would precipitate widespread all-out strike action.

Addressing his comments to the inquiry panel, Mr Gillman said: "Sir John Megaw must not be under any illusion that Civil Service unions will be obliged to accept whatever he suggests regardless."

He later added: "I certainly believe that, as far as the whole of this Government's life is concerned, we will almost certainly need all-out action."

The conference also endorsed overwhelmingly an executive motion urging delegates to begin work on a campaign for industrial action to back the 1983 pay claim.

The motion included a warning that machinery for determining Civil Service pay was unlikely to be available, and that arbitration was also not expected to provide any solution.

Later, Mr Campbell Christie, deputy general secretary, reiterated the union's fears that the Megaw inquiry will be unacceptable. "If he (Megaw) is genuinely seeking a way forward, then he must think again, he said.

Philip Bassett writes: Mr Alistair Graham, general secretary designate of the Civil and Public Service Association, joined the SCPS in expressing serious concern about the indications of how the Megaw inquiry seemed to be moving.

He was particularly worried about the use of outside management consultants to oversee any new pay system and of the possibility of restricting access to arbitration.

The CPSA conference in Brighton yesterday rejected the union's recent agreement on time off for trade union activity in the Civil Service. While the CPSA will now have to argue its case in the full council of Civil Service unions, it is expected to be outvoted by the others, thus negating the conference decision.

Left-wing candidate not to challenge defeat in union poll

BY JOHN LLOYD, LABOUR EDITOR

THE CANDIDATE who was narrowly defeated in the election for general secretary of the Amalgamated Union of Engineering Workers effectively conceded defeat yesterday after a week spent considering whether to challenge the result.

Mr Ken Brett, the Communist assistant general secretary of the AUEW, lost by a mere 1,000 votes to Mr Gavin Laird, the right-wing Labour executive member for Scotland, in an election in which 200,000 votes were cast.

Mr Brett had declared after the announcement of the result last week that he was likely to challenge the result. He had already queried a number of points with Sir John Boyd, the AUEW's retiring general secretary and ex-officio returning officer.

However, he said yesterday that he would "accept the result as declared," and that "it would serve no useful purpose having a re-run or re-count." But he reserved his right to "seek other means of redress" if the four demands for change in balloting which he put to Sir John were not satisfactorily answered.

These points were: that only members of the ballot department should know the results and trend of voting; ballot papers not delivered to members should not be returned to union headquarters; no less than two AUEW employees should be involved in the count of votes; and knowledge of the final result should be confined to the ballot department until after the executive had been informed.

In a statement, Mr Brett said that following the ballot, there remained "doubts and suspicions which need to be totally eliminated." Members had raised questions on the validity of the postal ballot system in the course of his campaign, and he was raising the issue solely "to ensure that the union's credibility is safeguarded at all times."

Sir John Boyd, who is visiting Japan, was not available for comment yesterday.

The union's left has long been hostile to postal ballots, which it regards as an instrument of right-wing domination.

Building workers' offer improved

BY DAVID GOODHART, LABOUR STAFF

THE 300,000 building workers covered by the Building and Allied Trades Joint Industrial Council have been offered an improved pay increase of 7.38 per cent. The previous offer was 6.75 per cent.

The offer, which would raise the craft minimum to £93.21 a week and the general minimum to £79.95, was described as "reasonable" by Mr George Henderson, the Transport and General Workers' Union national officer for the construction industry.

However, he will not be recommending acceptance when the offer is considered by the TGWU's construction group committee and building craft section committee. The TGWU has sole negotiating rights on the council.

The council, which claims to represent 21,000 of the smaller employers in the industry, was formed three years ago by the Federation of Master Builders when it failed to gain two seats on the larger negotiating body, the Building and Civil Engineering Joint Board.

The latest offer is just above the 7.2 per cent rise which the joint board last week offered to the 600,000 workers covered by its agreement.

The executive of the Union of Construction, Allied Trades and Technicians—the biggest union on the joint board—yesterday decided to refer the 7.2 per cent offer to a May 19 consultative conference of regional representatives. The other three unions involved—the Furniture, Timber and Allied Trades Union, the General and Municipal Workers and the TGWU—are also consulting members on the offer, which is likely to be accepted.

However, Mr Henderson was less than complimentary about the joint board offer, which he described as inadequate.

Other details of the latest offer include: an increased tool allowance; sick-pay to be increased to £5.90 a day, and an approved retirement benefit scheme to be introduced with a contribution rate of 50p from employers and 50p from employees.

Mr William Hilton, secretary for the employers, said the retirement scheme was considerably better than the Joint Board's. He also announced that BATJIC would be setting up its own four-year plasterer apprenticeship.

Grave diggers end action over cash cuts

BURIALS will be resumed from today in the four main corporation cemeteries in Liverpool after a week-long unofficial strike by the 140 staff, including grave diggers, gardeners, stone masons and drivers.

The men voted at a mass meeting yesterday to accept a recommendation from the General and Municipal Workers Union to resume work while their objections to a proposed £50,000 economy cut are discussed next Monday by the local government North West Provincial Council.

[illegible] which the men claim would lead to increased vandalism.

Hoover pay claim put off

FINANCIAL TIMES REPORTER

HOOVER [illegible] terday [illegible] claim [illegible] will [illegible] in prof[illegible]

Post union votes to accept 7%

By Our Labour Staff

MEMBERS of the Union of Communication Workers have decided by a big majority to accept the Post Office's 7 per cent pay offer. Of the union's 195,000 members, 100,000 voted in favour of their executive's recommendation to accept and 50,000 voted against.

The basic 7 per cent increase on pay and allowances is supplemented by a £55 lump sum payment to compensate for last year's widening of the differentials between UCW members and the supervisors.

The supervisors, members of the Communications Managers' Association, last year won a rise of about 10 per cent after going to arbitration.

Although the offer to the postal workers was an improvement on the Post Office's original offer of 5 per cent, it falls well short of the UCW's 20 per cent claim and is lower than last year's increase which gave members 8 per cent plus another 1½ per cent half-way through the year.

Drivers stay out

An unofficial week-long strike halting all the Crosville bus services out of the Liverpool headquarters depot is to go on at least until Friday.

The 200 drivers and maintenance engineers took this decision by a large majority at a mass meeting.

Further talks aimed at reaching the settlement will be held tomorrow and the outcome reported to a further mass meeting on Friday.

FT COMMERCIAL LAW REPORTS

Court to inspect ministerial documents

AIR CANADA AND OTHERS v BRITISH AIRPORTS AUTHORITY AND ANOTHER

Queen's Bench Division (Commercial Court): Mr Justice Bingham: May 6 1982

WHERE A party to an action resists an application for production of documents on the ground of public interest immunity, the court may order their production if the likely damage to the public sector is, on balance, outweighed by the likely damage to just disposal of the cause; and if the court is provisionally inclined to order production, it may first inspect the documents privately before deciding whether to make an order.

Applying those principles, Mr Justice Bingham decided to inspect ministerial documents which might be relevant and necessary for the determination of a consolidated action by Air Canada and 19 other international airlines against the British Airways Authority and the Secretary of State for Trade. He was provisionally inclined to order production of the documents, on an application by Air Canada and Pan-Am.

* * *

HIS LORDSHIP said that the BAA was a statutory body whose function was to own and manage a number of UK airports, including Heathrow. Its powers and duties were laid down in the Airports Authority Act 1975. It had an implied, but not statutory, power to charge airlines for using Heathrow.

The Secretary of State had certain powers and duties under the Civil Aviation Act 1949, and a number of supervisory powers and duties under the 1975 Act, particularly in respect of financial matters.

The aircraft charges at Heathrow were usually made on an annual basis from April 1 of each year, but in 1979 there was a mid-year increase in November, and another increase the following April.

The plaintiffs complained in respect of those, and earlier, increases. In a consolidated action against BAA and the Secretary of State they alleged, *inter alia*, that the charges were much higher than were reasonable or justified, and favoured British carriers to the prejudice of foreign carriers.

They also alleged that the Secretary of State had imposed a financial target on BAA, thereby assuming powers which he did not have, and usurping the exercise of a discretion not vested in him; that in performing certain acts, his purpose was *ultra vires* and contrary to his statutory powers and obligations; and that he took account of considerations which he should not have done, and failed to take account of considerations which he should have done.

In the present application the plaintiffs sought, *inter alia*, production of certain documents. The Secretary of State, claiming public interest immunity, asserted that the documents should not be disclosed. His claim was certified by the Permanent Secretary to the Department of Trade.

In his certificate the Permanent Secretary set out two categories of document. Category A related to ministerial documents, and Category B related to documents of senior officials. Each category related to the formulation of government policy towards BAA, its borrowing powers, its capital expenditure, landing fees, and so on.

The Permanent Secretary expressed the opinion that it was necessary for the proper functioning of the public service that all the documents should be withheld from production, since they were not of a routine nature, they passed at a high level, and related to the formulation of government policy on matters of major economic importance to the UK.

He said it would be against the public interest that documents revealing the process of providing for ministers' honest and candid advice on high level policy, should be subject to disclosure.

The principles to be followed in respect of public interest immunity were derived from the authorities, and in particular from *Burmah Oil Co v Bank of England [1980] AC 1090.*

After a court had satisfied itself, on perusal of the public immunity claim certificate, that the party seeking to withhold the documents had made a valid claim for public interest immunity, it should then determine whether the party seeking production was able to show a public interest in production. That party must show the documents were relevant and necessary for disposing fairly of the matter or for the due administration of justice.

If the court was satisfied that there was a public interest both in production and in non-disclosure, it must then consider whether, on balance, the public interest would be better served by withholding or producing the documents. It must weigh the harm which production would cause to the business of government, or public administration, against the harm which non-disclosure would do to the just determination of the case.

Where the court was of opinion that the balance of public interest lay clearly against production, it would not inspect the documents; but it might privately inspect them if it was *provisionally* inclined to order production, or if it was subject to grave and disquieting doubts as to where the balance lay.

If *provisionally* inclined to order production, the court would not ordinarily make such an order without first inspecting the documents privately.

Documents as close to the inner processes of government as those in the present case, had never previously been ordered to be produced in any litigation. However, it was not suggested that there was anything in their contents which would embarrass the Government in its relations with foreign states, or which, in the possession of a foreign corporation, could prove injurious to any national interest.

At the heart of the present litigation was a carefully prepared and serious criticism of government policy. The extent to which it was ill-informed was actually affected by the extent to which relevant documents were available.

Documents passing between the Secretary of State and BAA might throw some light on his dominant purpose and on what factors he did or did not take into account. Some of those documents were very likely to be necessary for the just determination of certain issues in the plaintiffs' case. Those were the ministerial documents in Category A. It was the Secretary of State's thinking which was crucial.

The plaintiffs demonstrated a public interest in production of the Category A, but not the Category B, documents. There was a strong possibility that they would be of great assistance in resolving the issues one way or the other. They were possibly even determinative.

In all the circumstances, the damage to the public sector which production would cause, was likely to be outweighed by the damage to the just disposal of the cause if they were withheld. His Lordship was provisionally inclined to order production and would accordingly inspect the Category A documents.

The plaintiffs' application should be allowed to that extent, but the Secretary of State should have leave to appeal.

For Air Canada: Samuel Stamler QC and Michael Crystal (Freshfields).

For Pan-Am: Denis Henry QC, Christopher Bellamy and Trevor Philipson (Slaughter and May).
For BAA: Peter Scott QC and Timothy Walker (McKenna and Co.).

For the Secretary of State: John Chadwick QC, Simon D. Brown and Christopher Clarke (Treasury Solicitor).

By Rachel Davies
Barrister

GARDENS TODAY

Survivors of a hard winter

BY ROBIN LANE FOX

SO MUCH gloom has been spread by the recent winter that I want to remind gardeners of its other side. I will not make feeble remarks about the chance to plant some bright, new shrub in place of an old one. Like me, you were probably too fond of your old or proven friends. I want to remind you that recovery is still possible and that some other plants seem never to have been better than during this spring.

If you can bear to be patient, I hope you will not cut down or remove any damaged tree or shrub until late July or August at the earliest. The last 10 days' sunshine has brought all kinds of surprises, faint flickers of growth on a ceanothus, low berths of leaf on shattered old roses, and, best of all, those strong, new shoots from the root on climbers which seemed totally dead.

Last year, I planted two of the lovely white climbing Potato Flower, or Solanum Jasminoides, to brighten a pale quince tree trained on the wall of my Oxford college's chapel. The quince's flowers have never shown up against the pale stone, and, after May, this wall shrub is rather dull. In high summer, the white Solanum raced up against the quince's lower branches and delighted me, at least, among its many passers-by.

In normal winters, the Solanum survives on a south wall, but the last one reduced it to a brittle heap of dead stems. Last week, however, the white Solanum sent up a strong group of shoots from its root below ground. I can repeat my opinion, therefore, that the white Potato Flower and the hardier violet - flowered Glasnevin variety are lovely climbers for a south wall, the equal of any clematis. If they had a scent, they would be perfect plants.

Scent was never the problem about my curious and rapid climber called Staumtonia, which swamped my south-facing porch and bore obscure little green-brown flowers in early summer. The winter ruined it, but to my family's alarm it has started to send long feelers up from below the ground and will soon be reaching for the gutter. I like its exquisite scent of orange blossom, but in their view, it is one more proof that you cannot keep a bad plant down.

I mention these plants to illustrate a wider truth. Soft-wooded climbers on sheltered walls have a remarkable resilience, and, if they can throw up a few new shoots from the base, they soon grow back into a tolerable shape. In the open, these stray shoots might come to nothing, but, against a wall, they are all you need. Hardwoods are another matter, as they may never build a framework of branches again. But if you threw out your Passion Flower in March, you were too hasty.

What about those big shrubs which I declared to be dead last week, but which are sprouting faintly from their base now by way of a retort? I have found a small green flourish on old escallonias, a miserable buddleia and one ceanothus. Without these late frosts, there might, indeed, be more. I suspend their sentence while this growth develops, but I expect its use will be for cuttings with which to replace them. Old shrubs command a huge network of roots with which to force new shoots ahead. But I doubt if some of the hardiest and oldest will really recover from bottom back to top within two years. I watch with a sceptical interest, but the past week is making me want to hedge my bets.

There is no doubt, however, about the magnificent shows of flower on certain other families. Perhaps they took better after all the misery which preceded them, but I never recall more flower on the trees of hardy magnolia, more blossom on all forms of flowering cherry, and Malus, including apple trees, or such abundance on many small primulas, spurges, hellebores and one of my favourite Daphnes. This may be an illusion, after the winter, but some of these plants do seem to be better than ever.

The Lenten lily, or Helleborus Orientalis, seemed to run riot after the snows melted. Surely the winter forced it to flower so freely, perhaps by straining it, because flowers tend to come as a response to more spartan conditions on many good plants. It persuaded me that of all the hellebores this and its hybrids are the forms to choose for the ground beneath tall shrubs in small gardens. I have never seen any better form than the hybrid White Ladies still offered from Wakehurst Nurseries, Cornhill, Hawkhurst, Sussex. Its pale green leaves and hanging white cups of flower are worth a place anywhere.

Primulas and auriculas have gone to town in the lower levels of my garden, reminding me how a thick blanket of snow is preferable to a life in a damp, wet winter, with a cold soil oozing round the small plants' necks. Auriculas like a pane of glass above them in wet winters, but a counterpane of snow served them far better this winter. I like them all and find them easy from any good seedsman's mixture.

Daphnes have been more surprising. In open beds, these small evergreen forms tended to lose many of their leaves, though they sprouted replacements soon enough. But the golden-leaved Daphne Odora has revelled in the short, sharp shock.

For years, we have wondered how hardy this delightful shrub will prove to be. The golden form is said to be tougher than the green one, a view which surprised me. I have never tested it, but I have gone along with a south-facing bed below a wall as the fit site for a Daphne Odora outdoors. That, perhaps, is still true, but this spring has seen more flowers than ever on the old bushes which I know best.

There is not a sign of damage to the main stems, and, instead, a mass of those rose-pink buds, opening to that heavenly scent, which puts it, for my money, at the top of all sweetly-scented flowers. You can grow it easily in a pot for enjoyment outdoors, but, beneath its south wall, it seems, the flowers of this Daphne prefer their previous winters to be tough.

RACING

BY DOMINIC WIGAN

IF SIMPLY GREAT is to go to Epsom next month with anything better than remote prospects of halting Golden Fleece's forward march, he must run out a fluent winner of today's Mecca-Dante Stakes at York.

The lightly raced Mill Reef colt faces only Count Pahlen, Be My Native, Montekin, Palace Gold, and Florida Son on the Knavesmire. He must produce a finishing speed to settle matters conclusively inside the distance if anyone is to contemplate him seriously outpacing the Irish colt on June 2.

Although the Mecca-Dante has proved something of a graveyard for favourites in recent years—with such winners "for the book" as Trasi's Son (50-1), Lucky Sovereign (20-1) and Beldale Flutter (11-1)—Simply Great should justify his market position.

Daniel Wildenstein's colt has continued to work in tremendous style with Ivano and will have come on a great deal for a much-needed run since an inadequate trip in the Ladbroke Craven Stakes. Simply Great may have most to fear from the now-underrated Montekin.

In the afternoon's major handicap, The Hambleton Stakes, no more popular success could be envisaged than another win for that remarkable old campaigner Baronet, who took the race a year ago under 9st.

Those who saw Robert Sangster's handsome Without Fear colt, French Current, make short work of Silly Steven over a mile in Sandown's Tudor Stakes will not be anxious to oppose him in the 2½-furlong-longer Glasgow Stakes.

Cauthen's mount quickened impressively to take a grip on proceedings below the distance on the Esher course and won, going away, by three lengths. He has more to do this time with Corked and Noble Gift in opposition, but probably will be up to his task.

YORK
2.00—Bal Royal
*3.00—Simply Great**
3.30—Silver Season***
4.00—French Current**
4.30—Safe House

TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.05 For Schools, Colleges. 10.00-10.15 You and Me. 10.40 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Over the Moon. 2.01-3.00 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Scooby Doo, Where Are You? 4.40 Play Away. 5.05 John Craven's Newsround. 5.10 Wildtrack.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Up a Gum Tree with David Bellamy (London and South-East only).
7.25 Wednesday Film: "Killer By Night," starring Robert Wagner and Diane Baker.
9.00 News.
9.25 Taxi.
9.50 Sportsnight: European Football: The Cup Winners Cup Final: Barcelona v Standard Liege; Snooker: The Embassy World Professional Championship.
11.23 News Headlines.
11.25 Fast and Low: A look at the RAF's connection with the Lake District.

Chris Dunkley: Tonight's Choice

Topic for tonight is the brain. In **The Seeds Of Cleverness** on Radio 3 at 7.00, Prof. Halsey of Oxford talks to Arthur Jensen, Professor of Educational Psychology at Berkeley, California, about the nature/nurture controversy. Jensen's work lies at the heart of the argument over whether the "intelligence" measured in IQ tests has any real significance, and, if so, whether there is, as surveys suggest, a considerable racial disparity in IQs.

At 10.45 ITV screens **Is Your Brain Really Necessary?**, a programme which—if it lives up to its advance billing (if)—promises to throw doubt not only on our assumptions about the brain, but also to undermine the foundations of science itself. In 1974, the recently-invented brain scanner suggested that the *centre of Sharon Scruton's brain is merely a watery void,* yet this summer she is sitting A-level chemistry and biology. Odder still, and I am not making this up, Stephen was born with so little brain that "when light was placed behind his head, it shone right through to the other side." Yet, today his brain seems to have recovered completely.

BBC 2

6.40-7.55 am Open University.
10.20-10.45 Gharbar.
11.00-11.25 Play School.
12.30-1.20 pm Open University.
2.30 Snooker.
5.10 Cloister to Cloister?
†5.40 Buck Rogers.
6.00 The Ascent of Man.
6.50 Snooker.
7.20 News Summary.
7.25 Hooked!
7.55 Snooker.
8.20 Royal Academy Summer *Exhibition 1982.*
9.00 Butterflies by Carla Lane.
9.30 Snooker.
9.50 The Woman in White.
10.45 Newsnight.
11.30-12.15 am Snooker.

LONDON

9.30 am Schools Programmes. 11.54 Dick Tracy Cartoon. 12.00 pm The Munch Bunch. 12.10 Rainbow. 12.30 Play It Again. 1.00 News. 1.20 Thames News with Simon Westcott. 1.30 Crown Court. 2.00 After Noon *Plus.* 2.25 *Racing* from York. 3.45 Three Little Words. 4.15 Foghorn Leghorn. 4.20 Animals In Action. 4.45 Sunny Side Up.

5.15 Emmerdale Farm.
5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.25 Help! with Viv Taylor Gee.
6.35 Crossroads.
7.00 Where There's Life...
7.30 Coronation Street.
8.00 "The Prince And The Pauper," starring Oliver Reed, Raquel Welch, Mark Lester, George C. Scott and *Charlton Heston.*
10.00 News.
10.45 Is Your Brain Really Necessary?
11.45 Kaz.
12.40 am Close: Sit Up and Listen with Lady Ewart-Biggs.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA
1.20 pm Anglia News. 5.15 Jangles. 6.00 About Anglia. 11.45 Star Parade. 12.45 am Letters from Rome.

BORDER
1.20 pm Border News. 5.15 Survival. 6.00 Lookaround Wednesday. 11.45 Border News Summary.

CENTRAL
1.20 pm Central News. 5.15 Diff'rent Strokes. 6.00 Crossroads. 6.25 Central News. 11.45 Replay: "Marcus Welby MD."

CHANNEL
1.20 pm Channel Lunchtime News, What's On Where and weather. 5.20 Crosroads. 6.00 Channel Report. 6.30 Bailey's Bird. 10.43 Channel Late News and weather. 11.45 Danger UXB. 12.45 am News and weather in French.

GRAMPIAN
9.25 am First Thing. 1.20 pm North News. 5.15 Jangles. 6.00 North Tonight. 11.45 Seachd Laithean. 12.15 am North Headlines.

GRANADA
11.54 am Wattoo Wattoo. 1.20 pm Granada Reports. 1.30 Exchange Flags. 1.55 Crown Court. 5.15 Mr Merlin. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 11.45 The Darts World Knockout Cup. 12.20 am Living Legends of Jazz, featuring Dave Brubeck.

HTV
1.20 pm HTV News. 4.15 Ask Oscar! 5.15 Private Benjamin. 6.00 HTV News. 11.45 Ladies' Man.
HTV Cymru/Wales—As HTV West except:—12.00-12.10 pm Ty Bach Twt. 4.15 Here's Boomer. 4.45-5.15 Doctor Snwgwd. 6.00 Y Dydd. 6.15-6.35 Report Wales.

SCOTTISH
1.20 pm Scottish News. 5.10 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today followed by Action Line. 6.30 Down to Earth. 11.45 Late Call. 11.50 Pro-Celebrity Snooker.

TSW
1.20 pm TSW News Headlines. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Tele-Views. 6.40 Sportsweek. 10.43 TSW Late News. 11.45 Danger UXB. 12.45 am Postscript. 12.50 South West weather.

TVS
1.20 pm TVS News. 5.15 Watch This Space . . . Good News of the Week. 5.30 Coast to Coast. 6.00 Coast to Coast (cont.). 11.45 City of Angels. 12.40 am Company.

TYNE TEES
9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News. 1.25 Where the Jobs Are. 4.15 Cartoon Time. 5.15 Private Benjamin. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life with Tom Coyne. 10.45 North East News. 11.45 Pavilion Folk. 12.15 am When I Needed a Neighbour.

ULSTER
1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Good News of the Week. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 10.44 Ulster weather. 11.45 News at Bedtime.

YORKSHIRE
1.20 pm Calendar News. 5.15 Private Benjamin. 6.00 Calendar (Emley Moor and Belmont editions). 11.45 International Squash.

RADIO

(S) Stereophonic broadcast (when broadcast on vhf)

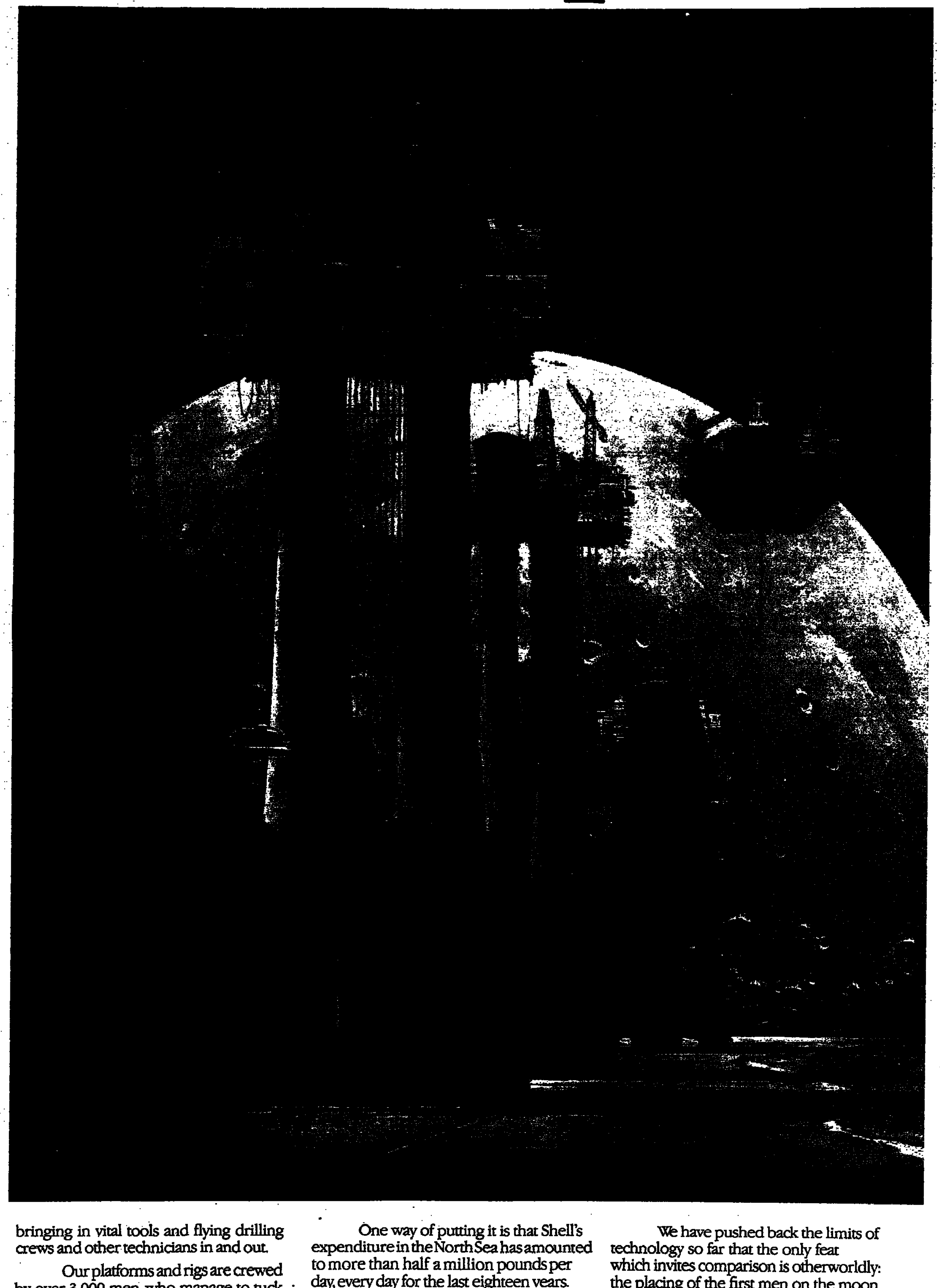
RADIO 1
5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Steve Wright. 4.30 Peter Powell. 7.00 Radio 1 Mailbag. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2
5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Cliff Michelmore (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart including Racing from York at 3.00 and 3.30 (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 John Dunn (S). 8.00 Alan Dell with Dance Band Days. 8.30 Among Your Souvenirs (S). 9.15 Semprini Serenade with *The Radio Orchestra (S).* 9.55 Sports Desk. 10.00 Tom Mennard tells Local Tales. 10.15 Cider 'n' Song with The Yetties. 10.30 Hubert Gregg Says Thanks for the Memory. 11.00 Peter Clayton with Round Midnight. 1.00 am Encore: Folk on 2 (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3
6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (cont.). 9.00 News. 9.05 This Week's Composer: Edvard Grieg (S). 10.00 BBC Scottish Symphony Orchestra (S). 11.25 Rachmaninov Songs (S). 11.50 Four Aspects of the Symphony (S). 1.00 pm News. 1.05 Concert Hall (S). *2.00 Music Weekly (S).* 2.50 Youth Orchestras of the World (S). 4.00 Choral Evensong (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 The Seeds of Cleverness. 7.45 Luciano Berio concert from the Queen Elizabeth Hall, London, part 1 (S). 8.15 Six Continents. 8.35 Luciano Berio, part 2 (S). 9.20 Reflections of a UK-Caribbean. 9.45 Beethoven ballet: "The Creatures of Prometheus." 11.00 News. 11.05-11.15 John Ireland.

RADIO 4
6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Midweek: Henry Kelly (S). 10.00 News. *10.02 Gardeners' Question Time.* 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 Baker's Dozen. 11.53 It's a Bargain. 12.00 News. 12.02 pm You and Yours. 12.27 The *Other Side of Silence (S).* 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 3.47 Time for Verse. 4.00 News. 4.02 Naomi Mitchison. 4.10 File on 4. 4.40 Story Time. 5.00 PM: News Magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Frank Muir Goes Into . . . Health (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 A World in Common. 8.15 Voices in Harmony (S). 8.45 All The King's Men: The Spanish Army from Franco to Nato. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 *Detective. 11.00 A Book at Bedtime.* 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

What you're looking at is no Sea of Tranquillity.



Neither is it a scene from the imagination of some science-fiction artist (although we commissioned one of Britain's finest sci-fi artists to paint it).

It is what you would actually see if the waters of the North Sea suddenly became invisible.

Silhouetted against a huge moon are the four giant production platforms that form the core of the Brent oilfield.

The Brent Field, operated by Shell, lies far out to sea, roughly halfway between Scotland and Norway, and about 100 miles northeast of Shetland.

The painting shows *(from left)* the production platforms Delta, Charlie, Bravo and Alpha, each towering well over 700 feet above the seabed in its steel, or concrete, socks.

They are built to withstand one-hundred foot waves and winds gusting up to 160 mph while continuing to collect oil and gas, 24 hours a day, from rock depths lying some two miles beneath the sea-floor.

Floating in the far distance *(bottom right)* is the drilling rig Stadrill, prospecting for oil in another part of the Brent Field.

And riding the invisible seas with contemptuous ease *(top right)* is the 23,000 ton semi-submersible, pipe-laying barge Semac I.

FLAGS: a major new gas-gathering scheme in the North Sea.

We used Semac I to lay one of the world's longest, largest, deepest undersea pipelines. (The painting shows the pipe being fed over the stern of the barge and trailing down to the seabed.)

The pipeline is the backbone of a major new North Sea gas-gathering scheme known to the oil industry as FLAGS: Far North Liquids & Associated Gas System.

It will enable us to bring ashore the substantial and hitherto untapped gas reserves of Brent and other oilfields in the northern North Sea.

The FLAGS pipeline, 36" across and made of steel coated with concrete, runs 280 miles along the seabed between the Brent Field and St. Fergus in Scotland.

Laying it was an astonishing feat.

The North Sea is no millpond. It is quite the most hostile stretch of water the oil and gas industry has ever tackled.

Much of the pipeline was laid in appalling weather: force 10 gales, thick fog rolling in the troughs between giant waves, zero visibility.

The FLAGS system will before long be supplying some 12% of Britain's gas needs. (The Brent Field already supplies about an eighth of Britain's oil.)

But neither statistics nor adjectives (nor the vastness of our operating costs) can ever give you a real sense of the scale and scope of our work in the North Sea.

The Brent Field: an offshore oiltown.

The Brent Field, for instance, does not simply consist of the four great platforms attended by a pipe-laying barge and a drilling rig or two.

Several other giant structures (like the floating oil-storage and -loading facility, Spar) are nearby. And platforms may be attended by 'flotels' (floating hotels) and semi-submersible diving barges.

Tugs, tankers and supply boats ply the surface, the latter bringing in everything from drill-pipe, cement for well-casing and drilling mud, to food and fuel.

Under the surface, mini-subs and diving-bells are at work. While in the skies, helicopters constantly come and go, bringing in vital tools and flying drilling crews and other technicians in and out.

Our platforms and rigs are crewed by over 3,000 men, who manage to tuck away well over 100 tons of food each week.

Power to keep the big platforms working is generated by turbines similar to those which fly large jet aircraft.

Computer banks continuously receive and process information about subsea oilwells and the many working functions of each platform, key data being relayed simultaneously to the platforms and Shell headquarters in Aberdeen.

The cost of these operations is so immense that it beggars description.

One way of putting it is that Shell's expenditure in the North Sea has amounted to more than half a million pounds per day, every day for the last eighteen years.

When we add up our chequebook stubs, our total investment to date works out at more than £4,000 million in 1981 money. Those figures double when you include the sums invested by us on behalf of our partners.

A conquest to rival the moon-landings.

Although there are projects which cost more, in terms of sheer technological innovation there is no other achievement on earth to match the conquest of the North Sea.

We have pushed back the limits of technology so far that the only feat which invites comparison is otherworldly: the placing of the first men on the moon by NASA's Apollo space programme.

As a matter of fact, the computer-room that monitors our operations has a great deal in common with that famous control-room in Houston.

And Shell is proud to be in the forefront of an endeavour which only twenty years ago, would have been dismissed as pure science-fiction.

You can be sure of Shell

TECHNOLOGY

EDITED BY ALAN CANE

Advance of the workstations

By LOUISE KEHOE in California

A NEW CLASS of "white collar robots"—otherwise known as "advanced workstations" is emerging from the U.S. computer industry.

These "personal" computers for the executive have their origins in several different computer camps.

Some are upgrades of the personal computers sold by Apple, Tandy, Commodore and the like. Others are the creations of the latest wave of silicon valley entrepreneurs and their venture capital backers.

The latest additions to the trend are condensed versions of minicomputers.

The new "workstations" have several common features. They look like slick personal computers. Most are sold by the same retailers who have pioneered the computer into the consumer market. Most are built around 16-bit microprocessors and make use of standard "operating systems"—programs that control the basic functions of the machine.

High quality

Along with the new name comes — the computer maker's hope—a new role for the computer in the office. The "workstation"—called by some the executive workstation—is destined to persuade the business professional, be he lawyer, manager, administrator or engineer—to do his own computing.

To achieve this end, workstations must be very easy to use, say the experts. They should also offer high quality graphics, English language commands, and the capability of performing several tasks simultaneously. So far few machines meet all of these goals, but several come close and do so for a fraction of the price of their minicomputer predecessors.

IBM started the trend towards 16-bit workstations with its "personal computer" introduction last year.

Built around the Intel 8088 microprocessor which is a 16-bit chip clothed in 8-bit guise, the IBM machine represents a significant upgrade in personal computer performance. The 8088 chip allows it to handle more complex programs—and to store more data than earlier microcomputers such as those offered by apple and commodore.

But the IBM machine has one big drawback, which even its fans will acknowledge. "As the first of its kind the IBM PC is severely lacking in the availability of ready made software programs," says Jean Yates, a personal computer market analyst at gnostic concepts of Melo Park.

Process load

With the introduction of its new 16-bit machine in January, Tandy Corporation sought to solve the software problem by incorporating two microprocessors in the same chassis. The higher performance Motorola 68000 chip will—when programs to suit it arrive—take the processing load. But in the meantime, the model 16's Zilog Z80 8-bit micro chip will run programs that are already on the market developed for Tandy's earlier model II.

DEC has taken a similar approach with its newly announced "rainbow" machine. *Dual processors enable it to run either 8 or 16 bit software.* Taking it one step further, DEC has adopted two standard "operating systems"—the programs that determine the basic functions of the computer, this will mean that programs developed for other machines that use the same operating systems can also be run on the rainbow.

DEC's selection of CP/M (the 8-bit version) will allow users of the new machine to access the estimated 2000 business programs already available for that operating system. CP/M 86 (the 16-bit version) is used both on the rainbow and the IBM PC which is expected to encourage software publishers to develop new programs to fit it.

Priced at only $3,400 with a monitor and two floppy disk drives the rainbow is expected to be a strong competitor with apple, Tandy and IBM machines.

Xerox "Star": the ultimate in luxury but a $16,595 price tag.

A plus for the Tandy machine is its ability to support more than one user simultaneously.

By plugging two extra "dumb" terminals into the model 16 up to three individuals can perform computing tasks simultaneously. While critics suggest that three is not enough—it is not difficult to imagine the executive suite with the manager working on his market report while assistants prepare his mail and accept incoming messages—expanding beyond three users would compromise the speed and performance of the machine, says Tandy.

Top priority

For larger groups of users Tandy recommends several model 16s be linked by its network III U.S.$ 500 network controller.

Also placing a high priority on networking, Corvus Systems of San Jose, California has incorporated communications capabilities in its Corvus concept work station. The US$5,000 machine comes with a three program word processing package, a financial spread sheet (visicalc look alike) and a cp/m emulator that allows the machine to run 8-bit programs.

Bubble memory

Among the most innovative offerings for the executive is a new portable computer from Grid Systems — a California start-up company which is the latest darling of the local venture capital community. Grid's compass is a briefcase machine weighing only 9.25 lb. It makes use of bubble memory devices to achieve high storage capacity, and an electroluminescent flat 6 inch display that folds down inside the computer briefcase. A built-in modem allows the compass to be plugged into the telephone network to access data services and pass on messages to other computers.

Compass comes complete with a four part program set covering the basic needs of the business user — a data base management system for filing and sorting information, a spread sheet like visicalc, a business graphics package and a word processing system. Its price—US$8,150 makes it an expensive luxury. But Grid hopes that its machine will also become a status symbol which top executives will want to own.

If price is no problem, then the Xerox Star is the ultimate in work station luxury. Although the machine was introduced over a year ago it is still to be beaten in ease of use and versatility—although the new DEC "professional" comes close. An important attribute of the Star is that it can perform several tasks simultaneously. The Star was also the first machine to offer "cursor editing." By just moving the cursor to the relevant command symbol and pressing a button, the machine will do as it is told. The Star's flaw? Its US$16,595 price tag.

Compass the work of British design group

THE COMPASS workstation, described in Louise Kehoe's article on this page, is manufactured by a U.S. company with a British managing director, and designed by a British-based design group.

Bill Moggeridge Associates, the designers, is building up an impressive array of distinctions in the electronics field. Ms Hedda Beese of the group was awarded a Design Council Award only last week for her work on the STC radiopager. The group has been involved in the design of terminals—the human interface—for companies including ITT, Quest, Membrain and Computer Technology.

Bill Moggeridge is in London now with prototypes of the Grid "Compass" microcomputers.

His London headquarters *nestles incongruously beside* the Benin City West Africa craft shop at the top end of Kentish Town, North London.

His U.S. subsidiary: ID Two, has the more likely address of College Avenue, Palo Alto, California. Moggeridge believes his is the first UK design group to set up in the rarified atmosphere of Silicon Valley.

His work for Grid came about through a chance meeting with John Ellenby, Grid's managing director, at the house of a mutual friend in Kentish Town. Ellenby had established Grid after serving his apprenticeship with Ferranti and, more recently, Xerox.

A close friend of Alan Kaye, one of the driving *forces behind Xerox's efforts* in the "electronic office," Ellenby's ideas of what a workstation should look like are unsurprisingly similar to those of the Xerox Palo Alto research group.

The Compass is similar in concept to the early Xerox ideas of an "electronic book" which could be used for a variety of purposes from business to education.

It can be used as a standalone electronic desk, but can also be linked into large IBM-hosted systems or smaller networks using a proprietary controller.

It is an advanced concept, and at today's prices an expensive one. Wisely, Grid intends to market in the U.S. first. If it takes off, British design skills will have made no small contribution to its success.

AC

Cutting fuel costs

THE HARLOW hospitals group was spending £70,000 a month on fuel. It bought three Neotronics fuel efficiency monitors at a total cost of about £1,300 and within weeks was saving 10 per cent on its fuel bills.

Which is one reason why Neotronics won a Queen's Award for Technology this year — and why Mr Hugh Feldman, Neotronics marketing director believes that only the tip of the iceberg in fuel efficiency monitoring has so far been touched.

The principle is simple; a sensor is used to measure the concentration of oxygen in the boiler stack and a thermocouple measures the temperature.

From these measurements it is possible to calculate the efficiency of the boiler and assess where best to make improvements.

Before Neotronics came on the scene, wet chemistry was used — gasses piped off from the stack and bubbled through solutions. It was awkward, cumbersome and not a technique for the inexperienced.

The Neotronics Fuel Efficiency Monitor can be used by the non-skilled people. It uses the City oxygen sensor which also won a Queen's Award this year (see this page, April 26) and a microprocessor to carry out all the necessary data processing.

So its a simple matter of turning the instrument on, checking the calibration, pushing the sensor into the stack and reading off oxygen concentration and efficiency.

Polaroid turns its attention to the conventional 35mm market

ALTHOUGH THEY are unlikely to appear in the UK for about a year, new products from Polaroid indicate that the company is turning its attention more and more to the "conventional" 35mm colour film and processing market, in both the professional/business and the consumer areas.

A few days ago at the stockholders' annual meeting in *Massachusetts, several prototype* colour and black and white 35mm transparency films were demonstrated that can be used in any existing 35mm camera.

It is a departure for the company in that up to now they have offered only film in special "Polaroid packs" for 35mm cameras.

The company is also preparing to produce and market a lightweight low cost processor and a simple low cost slide mounter.

The entire roll of film is processed in one strip (which will *probably not contain as many* frames as current 35mm colour films) and the technique used is analogous to that used at the moment in processing a single frame in a Polaroid camera.

Although colour transparency film on the market now can be processed in 30 to 40 minutes, they require "wet chemistry" and good temperature control. The polaroid table top device will need neither: the processed films will be dry and can be handled and projected immediately. However, exact processing times have not been *released by the company* and to keep the time to a minimum it seems likely that the film will be sold in shorter lengths than the normal 24 or 36 exposures.

Chief executive of the company Mr W. J. McCune, who said that the name of the new product will be "35 Autoprocess System," added that the immediacy of the system "will make it invaluable in many fields including industrial, professional and business photography.

McCune says that photographic hobbyists and advanced amateurs will find 35 Autoprocess System "an exciting addition" to their work. He adds quickly, however, that Polaroid's current instant-picture cameras will remain the mainstay of the company's amateur market approach for the near future.

Polaroid clearly recognises the cost problem with the current big format instant picture cameras and reveals that research is aimed at developing "revolutionary amateur systems that are compact, for which the film can be substantially lower in manufacturing cost than present products and will achieve excellent results."

The company also recognises the potential of electronically generated images and the likely demand for hard copies of such images. So there is a good deal of work going on at Polaroid to address the idea of an imaging device, recording film and an automatic processor. In such a system, cameras would of course, no longer use film, but digital solid state storage. The store could then, if the user demands, read its data out either on to an electronic screen or into the device that would turn it into a picture on paper.

GEOFFREY CHARLISH

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD The Association of International Bond Dealers

at 30th April 1982

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 550 institutions from about 30 countries.

Eurobonds in April

BY OUR EUROMARKETS STAFF

A NUMBER of well-known U.S. corporations came to the Eurodollar market in April. Georgia-Pacific was the first in the queue with a $50m five-year bond with warrants. Blyth Eastman Paine Webber lead managed the issue.

Campbell Soup made its debut in the Euromarket with $200m of ten-year zero-coupon paper, launched on April 6 by Credit Suisse First Boston. This was the first zero-coupon the market had seen since February. The paper was priced at 27 per cent to raise an actual amount of $54m, and yield a little below 14 per cent.

At the same time Campbell Soup also launched a $50m seven-year issue, also through CSFB. The 14 per cent coupon awarded was the lowest seen in the market for almost a year, indicating the standing of the borrower. In contrast Morgan Stanley awarded a high 15 per cent coupon to Aetna Life's $150m 15-year issue, launched the same day.

Two RCA subsidiaries came to the Eurodollar market early in the month. Salomon Brothers and Lehman Brothers Kuhn Loeb arranged a $50m seven-year issue for Hertz, the U.S. car rental company, carrying a 15¾ per cent coupon. At the same time Dillon Read and Salomon Brothers arranged a $50m five-year bond for CIT, the consumer credit subsidiary of RCA. This issue, despite a 15½ per cent coupon, did not sell well, however, and a week after its launch it was withdrawn from the market.

The simultaneous appearance of the two RCA subsidiaries was evidently badly timed. CIT had also just raised $200m in the U.S. bond market—$50m more than expected.

Following the Campbell Soup example CSFB gave the $100m seven-year bond for Getty Oil a similarly aggressive 14 per cent coupon. American Express also came to the market early in April. Morgan Stanley lead managed a $75m seven-year issue for this well-known U.S. firm, and gave the paper a 14¼ per cent coupon.

These good quality U.S. borrowers seem to be particularly attractive to name-conscious Swiss investors.

In the floating rate note sector J. P. Morgan came to the market to raise $250m in a 15-year issue through Morgan Stanley, Morgan Guaranty and Salomon Brothers. The name was sufficient to guarantee its good reception.

A similar $250m FRN issue was launched earlier in the month for Banque Nationale de Paris through BNP, Salomon Brothers and CSFB. A feature of this seven-year bond was that warrants were attached, so that each $1,000 of floating rate paper entitled the investor to buy a 14¼ per cent bond maturing in 1990.

Bonds-plus-warrant deals appeared regularly on the market during April. The $50m Georgia-Pacific issue had two warrants attached to each bond, and a six-year FRN for the French State railway, SNCF, arranged by Morgan Guaranty, contained warrants to buy 14¼ per cent eight-year paper. This successful issue was increased to $125m a day after its launch.

Commercial Credit Finance, a subsidiary of Control Data, also came to the market to raise $50m through a three-year 14¾ per cent bond with warrants, arranged by Continental Illinois. And as the month ended Morgan Stanley arranged a $50m issue with warrants for Beneficial Corporation.

The most unusual warrant deal, however, was a two-tranche issue for IC Industries, lead managed by Merrill Lynch and Paribas. In this 225,000 warrants were to be put on the market entirely separately from a $75m bond issue.

Another unusual issue which appeared in April was a $100m seven-year Eurodollar bond for the World Bank. This was linked to the Swiss Franc, and was designed to appeal to Swiss investors. The paper, lead managed by Swiss Bank Corporation, was given a 6⅝ per cent coupon at par. The linkage is to protect investors from currency risk, and there is a potential exchange gain.

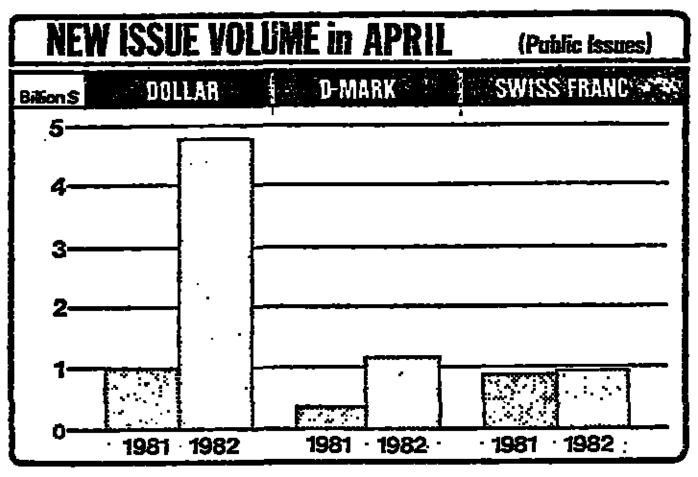
A bond with warrants also appeared in the Swiss Franc foreign bond sector. At the beginning of the month Union Bank of Switzerland arranged a SWFr 70m ten-year issue for the Japanese company, Sekisui Prefab Homes.

As well as bonds with warrants, adjustable coupon bonds appeared again in the Eurodollar market in April. Most notable was a $200m issue for Du Pont through SCFB. This issue carried an initial extremely low 13¼ per cent coupon for the first five years of a possible 15-year maturity. But the market, burdened as it was with a total of $1.3bn of paper launched in the last week of the month alone, was suffering somewhat from "indigestion," and the Du Pont issue floundered amidst the higher returns on other good quality new issues.

In the secondary Eurodollar sector prices rose by two points on the month, compared with a rise of just over one point in the Swiss Franc and D-Mark foreign bond sectors. Six-month interest rates in all three sectors fell by about ½ point.

In the D-Mark foreign bond sector the West German Sub-committee on Capital Markets met on April 13 and set a DM 1.65bn five-week calendar.

NEW ISSUE VOLUME in APRIL (Public Issues)



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The table of quotations and yields gives the latest rates available on April 30th, 1982. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

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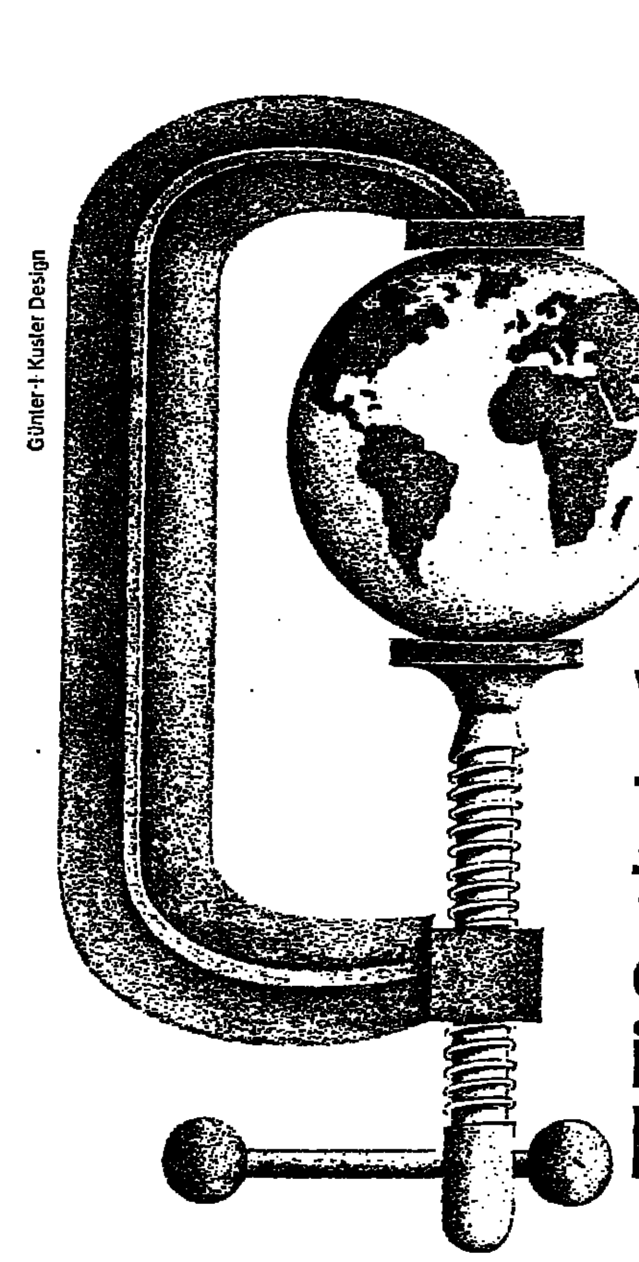

Issued (amount outstanding)	Year of issue / issue price	Borrower / coupon maturity	Price	Yield to maturity / to average life	Current yield
		US DOLLARS-ALGERIA			
25 / 9.4	1972 / 95.00	BQUE EXT D'ALGERIE 8.75 1/ 8/1984	85	17.26 / 13.78	10.29
25	1977 / 100.00	BQUE EXT D'ALGERIE 9.00 1/ 8/1982	95	28.22	9.47
		US DOLLARS-ARGENTINA			
50	1979 / 98.50	ARGENTINE REPUBLIC 9.875 1/ 3/1984	85 1/2	19.19	11.55
		US DOLLARS-AUSTRALIA			
30 / 1.2	1953 / 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	93	13.77 / 17.16	5.45
30 / .8	1962 / 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	93	18.63	5.69
25 / .7	1962 / 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	97	13.48	5.75
25 / 5.6	1965 / 99.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	84 1/2	[illegible] / 18.48	6.51
25 / 5.6	1965 / 94.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	83	[illegible] / 16.40	7.05
25 / 6.2	1967 / 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982	98 3/4	16.94	6.58
100	1977 / 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	87 1/2	14.29	8.57
125	1976 / 99.50	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	91 1/2	14.99	9.08
120	1976 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/10/1993	93 7/8	13.16	8.79
125	1977 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/12/1984 S	87 7/8	14.62	9.64
150 / 133.9	1977 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 5/1992	74 5/8	13.79 / 14.67	11.06
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Issued (amount outstanding)	Year of issue / issue price	Borrower / coupon maturity	Price	Yield to maturity / to average life	Current yield
		US DOLLARS-AUSTRALIA (CONTINUED)			
20 / 19.9	1977 / 100.00	[illegible] OVERSEAS [illegible] 9.29 15/[illegible]	[illegible]	[illegible]	[illegible]
50 / 43.7	1977 / 100.50	WESTERN MINING [illegible] 9.00 15/[illegible]	[illegible]	[illegible]	[illegible]
50	1981* / 99.25	WMC FIN 15.50 15/[illegible]	[illegible]	[illegible]	[illegible]
		US DOLLARS-AUSTRIA			
28 / 2.4	1964 / 99.00	AUSTRIA,REPUBLIC [illegible] 6.00 [illegible]	[illegible]	[illegible]	[illegible]
30	1977 / 100.50	AUSTRIA,REPUBLIC [illegible]	[illegible]	[illegible]	[illegible]
50 / 50.0	1977 / 100.00	AUSTRIA,REPUBLIC 8.625 15/[illegible]	[illegible]	[illegible]	[illegible]
50 / 37.0	1976 / 100.00	AUSTRIA,REPUBLIC 8.75 15/[illegible]	[illegible]	[illegible]	[illegible]
50	1975 / 100.00	AUSTRIA,REPUBLIC 9.00 15/[illegible]	[illegible]	[illegible]	[illegible]
75	1981* / 99.50	AUSTRIA,REPUBLIC 15.50 15/[illegible]	[illegible]	[illegible]	[illegible]
12 / 4.2	1965 / 97.00	ALPINE MONTAN [illegible] 5.75 15/[illegible]	[illegible]	[illegible]	[illegible]
15 / 4.5	1966 / 96.50	AUSTRIAN ELECTRICITY 6.625 1/[illegible]	[illegible]	[illegible]	[illegible]
18 / 1.4	1967 / 96.50	AUSTRIAN ELECTRICITY 6.75 1/[illegible]	[illegible]	[illegible]	[illegible]
50	1977 / 100.50	OSTERREICHE [illegible] 7.50 1/[illegible]	[illegible]	[illegible]	[illegible]
150	1980 / 99.50	OSTERREICHE [illegible] 13.00 15/[illegible]	[illegible]	[illegible]	[illegible]
30 / 27.0	1977 / 100.50	ZALTENBACTGBANK [illegible] 8.25 15/[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

US DOLLARS–SWEDEN (CONTINUED)

15 9.5	1972 100.00	SWEDISH INVESTMENT BANK 7.50 15/ 1/1984	74 3/4	16.22 15.22	10.03
15 9.5	1972 99.00	SWEDISH INVESTMENT BANK 7.75 1/11/1987	75 7/8	16.02 17.79	10.08
15 13.0	1976 100.00	SVENSKA 9.25 15/ 9/1986	77 7/8	16.72 20.82	11.88
30 9.3	1976 100.00	[illegible] 7.75 1/12/1982	93 1/2	12.74 16.95	8.45
23 18.0	1977 100.00	[illegible] 7.75 15/ 5/1984	86 1/2	14.85 15.32	6.96
25 19.0	1972 102.50	VOLVO 8.00 1/ 5/1987	73 3/8	15.59 15.69	12.93
35	1977 100.00	VOLVO 8.00 1/ 3/1987	73 3/8	15.35	10.53
25	1975 99.50	VOLVO 9.50 1/ 3/1985	85 1/2	15.72	10.95

US DOLLARS–SWITZERLAND

75	1977 100.00	FIAT FIN CORP 8.00 1/ 8/1982	93	16.26	6.16
35 21.0	1972 98.50	SWISS ALUMINIUM AUST LTD 8.00 1/ 2/1987	81 1/2	13.13 17.22	9.82

US DOLLARS–VENEZUELA

100	1977 99.39	VENEZUELA, REPUBLIC OF 7.875 15/ 6/1982 S	95 3/4	16.99	8.23
100	1977 99.50	VENEZUELA, REPUBLIC OF 8.00 [illegible]	85 1/4	18.31	9.28
100	1977 99.75	VENEZUELA, REPUBLIC OF 8.125 15/10/1984 S	85 1/2	15.43	9.62

US DOLLAR-FLOATING RATE (CONTINUED)

1982* I.B.J. 5.25:1/4	97 1/4	16.29	
100.00 15.938 31/ 2/1992 S			
1981* INDUST FUNDLE RES 10:3/4	97 3/8	14.9[illegible]	
100.00 16.375 13/10/1999 Q			
1977 INDUST BK JAPAN 6.5:1/4	100 1/4	16.9[illegible]	
100.00 17.00 1/11/1982 S			
1978 INDUST BK JAPAN 5.5:1/4	99 3/4	13.2[illegible]	
100.00 13.25 1/12/1985 S			
1979 INDUST BK JAPAN 5.25:1/4	100	15.7[illegible]	
100.00 15.75 15/10/1987 S			
1980 INDUST BK JAPAN 5.25:1/4	99 7/8	15.7[illegible]	
100.00 15.75 9/10/1985 S			
1981* INDUST BK JAPAN 5.25:1/8	99	13.4[illegible]	
100.00 13.313 9/11/1988 S			
1982* INDUST BK JAPAN 1/4	99 1/4	13.3[illegible]	
100.00 13.25 27/ 5/1985 S			
1981* I.C.I.C.I. 6.5:1/4	95 5/8	15.5[illegible]	
100.00 1[illegible].875 16/12/1991 S			
1977 IND & MIN DV BK 6.25:3/8	95	16.7[illegible]	
100.00 15.875 14/ 4/1984 S			
1977 INT WESTMINSTER FK 6:1/4	100	15.3[illegible]	
100.00 15.313 20/ 4/1984 S			
1978 ISHIKAWAJIMA-H 5.75:1/4	100	15.2[illegible]	
100.00 15.375 27/ 4/1985 S			
1982* ISTEIMER 11.0:1/4	97 3/8	16.1[illegible]	
100.00 15.75 15/ 4/1989 S			
1981 C-ITOH (ME) INT 5.5:5/8	100 1/2	19.4[illegible]	
100.00 19.50 3/ 2/1986 S			
1980 C ITOH 5.25:1/4	100	15.6[illegible]	
100.00 15.687 19/ 9/1987 S			
1977 JUGOBANKA [illegible]	97	17.1[illegible]	
99.50 16.625 1/ 8/1983 S			
1979 JUGOBANKA 8:7/8	89 1/2	15.5[illegible]	
100.00 13.938 23/ 5/1989 S			
1977 KANSALLIS-OSAKE 6.5:1/4	100	15.6[illegible]	
100.00 15.686 29/ 7/1983 S			
1980 ELETROPT [illegible] 5.75:1/4	99 3/8	16.7[illegible]	
100.00 16.625 1/ 6/1991 Q			
1981* KOREA DEV BK P86 7.5:1/4	98 3/8	12.4[illegible]	
100.00 13.198 3/ 6/1989 S			

30th APRIL 1982

WestLB Euro-Deutschmarkbond Quotations and yields

Advertisement

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D=mandatory-drawing by lot at par S=sinking fund P=purchase fund
8¼% ADELA 78/83	99.40	8.30	12.35	0.92	1. 4.83
7½% ADELA 77/82 PP	97.50	7.18	17.63	0.25	due 1. 8.82
7¾% African Dev. Bank 73/85	87.50	8.82	11.63	4.08	1. 6.88
8% African Dev. Bank 79/87	88.50	9.04	10.86	5.59	1.11.87
6½% Airport Paris 80/84 PP (G)	96.25	6.75	9.62	1.52	1. 3.75—84D
6% AKZO 72/87	95.75	8.01	11.05	1.08	1. 6.83
6% AKZO 78/84 PP	93.75	6.40	9.72	1.92	1. 4.84
7% AKZO 73/86 PP	89.00	7.25	10.09	3.83	1. 3.86
8% AKZO 80/90	97.25	8.07	9.14	8.04	15. 5.86—90S
8¼% Alusuisse Int'l. 75/83	99.45	8.30	8.95	0.74	1. 8.81—83D
5% American Expr. Int'l. 79/87	89.15	6.17	8.37	4.71	15. 1.87
7% AMEX Int'l. 77/84 PP	94.75	7.12	8.87	1.50	1. 4.84
7½% ARBED Finance 76/83 PP	95.25	8.14	11.29	1.50	1.11.83
6¾% ARBED Finance 77/87	87.00	7.75	10.14	5.08	1. 6.83—87S
7½% ARBED Finance 78/80 PP	87.00	8.62	11.28	4.42	1.10.86
9% ARBED Finance 80/87 PP	91.50	9.84	11.28	5.06	1. 6.87
6½% Ardal-Sunndal 77/89 PP	92.00	7.34	9.22	3.99	1. 7.83—89D
10¼% Ardal-Sunndal 81/89	104.70	10.27	9.72	7.18	1. 7.89
7½% Argentina 77/84	88.05	8.52	13.87	2.42	1.10.84
7% Argentina 78/85	80.50	8.07	15.42	2.83	1. 3.85
6½% Argentina 78/88	74.75	8.70	14.71	4.38	1.11.84—86D
7½% Argentina 79/89	79.50	9.43	11.99	7.00	1. 6.85—89S
6¼% Asian Dev. Bk. 69/84	89.00	7.07	7.61	2.23	1. 3.75—84S
7¾% Asian Dev. Bk. 76/83 PP	98.25	7.89	9.21	0.92	1. 4.83
7¼% Asian Dev. Bk. 77/85	95.00	7.7	9.02	2.92	1. 4.85
5½% Asian Dev. Bk. 78/88	84.50	6.51	8.86	5.83	1. 5.89
7% Asian Dev. Bk. 72/89	91.00	7.97	8.98	7.25	1. 8.89
8% Asian Dev. Bk. 80/90	96.45	8.25	8.57	8.50	1.11.90
10% Asian Dev. Bk. 80/90	102.90	9.62	9.35	8.00	1. 5.90
10% Asian Dev. Bk. 81/91	103.95	9.62	9.36	8.42	1. 6.88
11% Asian Dev. Bk. 81/88	108.15	10.17	9.57	6.58	15.10.89
9% Asian Dev. Bk. 82/92	87.00	10.34	11.51	9.95	15. 4.92
7% Aumar 73/88 (G)	92.25	8.12	10.70	3.10	1. 2.76—87D
6% Aumar 76/84 (G)	99.25	9.07	9.34	2.29	15. 8.77—84S
7% Aumar 77/84 (G)	93.00	8.16	10.42	2.17	1. 7.84
6½% Australia 67/82	99.75	6.52	7.86	0.60	1.11.75—82S
6¾% Australia 68/83	99.50	6.78	7.29	1.25	1. 8.76—83S
6% Australia 69/84	99.50	6.03	6.32	1.75	1. 1.76—84S
6½% Australia 70/84	98.50	7.29	7.61	2.29	1.11.75—84S
7½% Australia 72/87	99.50	7.04	7.12	4.75	1. 2.78—87S
6½% Australia 76/83	100.25	7.23	6.68	0.82	1. 3.83
5½% Australia 7/82 PP	99.50	5.22	8.55	0.42	1.10.82
5¾% Australia 77/89	89.40	6.43	7.65	7.55	1.11.85—89S
6% Australia 78/88	89.55	6.73	8.17	6.33	1. 9.88
8% Australia 80/87 PP	100.00	8.00	7.98	5.58	1.12.87
8½% Australia 80/90	101.25	8.02	7.90	7.83	1. 3.90
10½% Australia 81/91	104.75	9.55	8.57	8.79	15. 2.91
9½% Australia 81/91	104.50	8.95	8.61	9.62	15.12.91
6½% Austr. Ind. Dev. Corp. 72/87	93.75	7.23	9.20	2.67	1.11.78—87D
6½% Rep. of Austria 69/83	99.00	6.57	9.60	0.92	1. 4.75—83S
9% Rep. of Austria 73/83	100.25	8.88	8.54	0.75	1. 2.83
6½% Rep. of Austria 72/87 PP	99.25	8.31	8.97	2.92	1. 4.79—83D
8½% Rep. of Austria 75/87	100.50	8.46	8.27	2.57	1. 5.79—87S
7½% Rep. of Austria 76/86	97.00	7.99	8.67	4.00	2. 5.82—86S
7% Rep. of Austria 76/86	97.15	6.95	7.87	2.92	1. 4.83—86S
7¾% Rep. of Austria 77/87 PP	94.75	7.39	9.35	2.58	1. 1.83—87D
7¾% Rep. of Austria 77/87 PP	92.75	7.34	9.39	2.60	1. 2.83—87D
6¼% Rep. of Austria 77/87 PP	82.25	6.80	9.86	3.77	1. 9.84—87D
6% Rep. of Austria 78/88 PP	87.00	6.61	9.72	4.11	15. 7.84—88D
7% Rep. of Austria 78/90	82.50	8.07	8.74	8.50	1.11.83—90D
7% Rep. of Austria 78/84 PP	94.75	7.12	9.32	2.08	1. 9.84
7% Rep. of Austria 79/87 PP	99.50	7.12	9.32	5.23	1. 8.87
7½% Rep. of Austria 79/89 PP	88.37	7.07	8.86	4.82	1. 2.84—89D
7½% Rep. of Austria 79/89 PP	89.50	8.10	9.27	7.23	1. 8.89
8½% Rep. of Austria 80/85 PP	97.25	8.48	9.08	2.96	20. 5.85
8½% Rep. of Austria 80/88 PP	99.25	8.57	9.29	6.14	20. 6.88
8½% Rep. of Austria 80/90 PP	95.00	8.88	9.14	8.14	20. 6.90
10½% Rep. of Austria 81/91	101.20	9.53	9.34	9.29	1. 8.91
8½% Rep. of Austria 82/92	96.00	8.59	8.97	7.79	1.10.87—92D
7% Autopistas Catalana 78/85 PP	91.50	7.65	10.75	2.71	16. 1.85
7% Autopistas Espanola 69/84 (G)	97.00	7.47	8.59	2.17	1. 7.72—84S
7% Autopistas Espanola 71/86 (G)	95.85	8.25	10.22	2.22	1.10.77—86D
6½% Autopistas Espanola 72/87 (G)	91.50	7.78	10.42	2.77	1.10.73—87D
7¼% Autopistas Espanola 79/85 PP (G)	82.50	7.84	10.42	2.83	1. 3.85

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 8.75%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7¼% Banco N. Desarrollo 79/86 (G)	80.25	9.03	14.27	3.53	1. 3.86
8% Banco N. Obras 71/86 (G)	94.75	8.44	9.68	4.50	1.11.77—86S
7% Banco N. Obras 77/82 PP (G)	98.89	7.12	10.92	0.08	due 16. 6.82
7% Banco N. Obras 77/87 (G)	93.30	7.12	10.79	0.46	due 16.10.82
7½% Banco N. Obras 77/84 (G)	91.85	7.64	11.06	2.42	15.10.84
5¾% Bk. America Overs. Fin. 78/90	87.50	6.57	7.80	8.50	1.11.90
6% Bank of Tokyo 78/86 PP	92.00	6.52	8.57	3.75	1. 2.86
7% Banque Ext. Algerie 77/83	88.25	7.79	10.33	1.46	15.10.83—83D
7½% Banque Ext. Algerie 78/85	88.25	8.22	13.09	2.46	1.11.83—83D
6% Banque Nat. Algerie 78/83	96.60	7.51	11.68	0.83	1. 3.83
8% Barclays Overs. Inv. 79/89	90.60	7.45	8.59	7.00	1. 5.89
6% Barlow Rand Inv. 78/82 I PP	99.00	8.08	11.28	0.23	due 15. 8.82
8% Barlow Rand Inv. 78/82 II PP	99.00	8.08	10.61	0.37	due 15. 9.82
7½% BEC Finance 76/83 PP	98.00	7.65	8.52	1.50	1.11.83
6% Beecham Fin. 76/83	93.00	8.08	8.68	1.50	1.11.83
10% Bolgelectric Fin. 81/88	104.00	10.10	9.68	4.00	1. 4.86
11% Bolgelectric Fin. 81/91	106.50	10.33	9.89	9.42	1.10.91
8¾% Bergen 75/85	100.75	8.68	8.22	1.87	1. 5.81—85D
8% Bergen 77/82	94.70	7.66	9.03	3.86	1. 9.80—84S
8% BFCE 75/83 (G)	99.00	8.33	9.14	1.17	1. 7.81—83S
7½% BFCE 76/84 (G)	98.00	8.59	8.59	1.59	1.12.81—84S
7½% BFCE 77/87 (G)	93.75	7.47	8.65	4.75	1. 2.83—87S
6% BFCE 72/88 (G)	86.50	6.65	8.83	5.71	15. 1.86—88S
5¾% BFCE 80/91 (G)	96.50	8.03	8.47	8.69	1.10.80—91S
6½% BFCE 80/95 (G)	84.00	8.04	8.91	12.71	15. 1.86—95S
7½% BNDE 77/87	97.60	8.69	9.41	2.83	1. 4.83(82-87)
8% BNDE 78/84	82.25	8.21	12.69	3.83	1. 2.86
8% BNDE 80/88	91.00	10.16	11.34	6.17	1. 7.88S
9% Borregaard 77/84 PP	93.00	6.99	9.86	2.42	1.10.84
6½% Brascan Int'l. 73/88	99.00	8.59	8.69	6.42	1.10.78—88S
6% Brazil 72/87	93.75	7.20	8.21	5.42	1.10.76—87S
7% Brazil 76/86	93.25	8.82	8.34	4.50	15.10.82(80-86)
6% Brazil 77/84	93.75	8.27	11.42	2.00	1. 5.84
7½% Brazil 78/85	88.25	7.65	11.36	2.75	1. 2.85
8% Brazil 78/87	86.00	8.43	11.71	4.67	1. 1.87
8% Brazil 79/87	87.00	9.20	11.40	5.25	1. 8.87
8% Brazil 80/88	92.50	10.00	11.00	6.08	1. 6.88
8¾% Bremer 80/83 (G)	98.50	8.85	8.18	1.25	1. 8.74—83S
6¾% Bruxelles-Lambert 77/84 PP	91.25	6.30	9.06	2.62	15.12.84
8% Burmah Oil 70/85	93.50	9.04	8.71	1.75	1.11.76—85S
8% Canada 78/83	96.25	4.94	8.62	1.05	20. 5.83
5% Canada 78/84	94.00	5.32	8.34	2.02	13. 5.84
8% Canada 82/89	103.10	8.49	8.48	6.99	30. 4.89
6% Carlsberg-Tuborg 77/87 PP	85.75	7.00	9.38	5.58	1.12.85—87S
8½% CCCE 75/85 (G)	100.00	8.50	8.48	1.89	1. 4.81—85D
7½% CCCE 76/86 (G)	98.00	8.62	8.76	2.61	1. 7.83—86D
7% CCCE 77/88 (G)	93.10	7.52	8.35	6.92	1. 4.81—89D
7½% CECA 65/83	97.25	5.66	8.72	0.82	1. 4.71—83D
7½% CECA 71/86	91.25	7.60	8.20	2.45	1. 5.77—86D
7% CECA 72/87	93.75	6.91	8.88	3.08	1. 7.78—87D
7% CECA 72/88	94.60	7.40	9.06	3.04	1. 2.78—88D
6¼% CECA 73/87	93.00	6.99	9.05	3.00	1. 4.79—88D
7¾% CECA 75/83	100.00	7.75	7.72	1.00	1. 4.80—83D
7½% CECA 75/82	99.00	8.12	8.30	0.62	15.12.82
8% CECA 75/85	100.00	8.50	8.48	1.89	1. 4.80—84D
7½% CECA 75/86	99.10	7.62	8.53	1.92	1. 5.82—86D
6½% CECA 76/86	98.75	7.85	8.32	2.34	1.10.82—86D
7% CECA 77/87	87.25	6.88	8.50	3.33	1.11.83—87D
6% CECA 78/88	84.20	6.24	8.89	5.71	1. 4.85—88D
6% CECA 78/90 PP	86.50	6.94	8.64	4.50	1. 9.83—90D
7% CECA 79/91	90.75	7.71	9.60	5.29	15. 4.85—91D
8% CECA 80/83	102.50	8.27	8.84	5.03	1.12.85—88
7% CECA 80/90	95.75	8.25	8.84	7.67	2. 1.90
9½% CECA 80/92	95.00	8.29	8.69	6.61	15. 6.92
10% CECA 81/91	105.75	9.46	8.62	6.25	3. 3.87—91D
10% CECA 82/87	104.00	9.33	8.66	4.72	20. 1.87
10% CECA 82/94	105.25	9.45	8.87	7.59	20. 1.87—94D
7½% C.E.D. South Africa 78/82 PP (G)	93.25	7.61	11.05	0.22	due 20. 7.82
8% CESP 77/87 (G)	93.50	7.49	8.71	2.85	1.11.83(82-87)
7½% Chase Manhattan Ov. 76/83	87.60	6.56	7.68	11.33	1. 8.84—93S
7% Chrysler 68/84	92.25	7.59	11.42	2.17	1. 7.73—84S
6½% CIBA-GEIGY ov. w. 75/85 PP	96.25	7.01	8.02	2.42	1.10.85
8½% C.N. Autoroutes 69/84 (G)	96.60	6.73	9.53	1.32	1. 8.75—84S
8½% C.N. Energie 69/84 PP (G)	96.60	6.71	8.88	1.90	1.11.74—84S
6% C.N. Telecom. 69/84 (G)	97.75	6.65	8.11	1.50	1.11.75—84S
6½% C.N. Telecom. 70/85 (G)	99.50	6.54	8.86	3.42	1.11.75—85S
6% C.N. Telecom. 75/84 (G)	86.25	6.80	8.62	0.96	1. 9.83
5% C.N. Telecom. 79/87 (G)	90.50	6.91	8.73	4.83	1. 3.87
7½% C.N. Telecom. 79/89 (G)	97.50	6.29	9.03	6.52	1.10.89
6½% Comalco 71/86	86.00	8.88	8.05	4.08	1. 6.77—86S
7% Com. Fed. Electr. 77/82 PP	96.50	7.11	11.37	0.33	due 1. 9.82
8% Com. Fed. Electr. 77/85	94.75	8.44	10.27	2.92	1.11.82—85D
7% Com. Fed. Electr. 77/86	82.90	7.72	10.88	1.94	1.11.82—86D
7% Com. Fed. Electr. 78/88	80.75	7.73	10.64	3.73	1. 4.84—88D
6½% Commerzbank Int'l. 78/84 PP	94.50	6.28	8.65	1.67	1. 1.84
6½% Comp. F. Deutsche Bk. 76/83 PP	96.85	4.56	8.44	1.00	1. 5.83
7% Comp. F. Deutsche Bk. 78/84 PP	95.25	7.35	8.13	1.67	1. 1.84
8% Comp. Franc. Petr. 75/85	101.00	8.42	7.95	1.67	1. 6.80—85S
7% Comp. Franc. Petr. 77/84	95.25	7.87	9.06	2.25	1. 8.84
7% Concorsio 70/81 (G)	98.90	8.65	8.99	2.17	1. 7.77—91D
8% Copenhagen 64/84	99.65	6.01	7.62	2.62	15.12.70—84D
6% Copenhagen 68/83	99.75	7.02	7.48	1.25	1. 6.75—83S
7% Copenhagen 69/84	93.50	6.76	7.13	2.00	1. 6.75—84S
6½% Copenhagen 70/86	99.40	7.80	8.06	1.52	1.12.81—85S
7% Copenhagen 71/86	98.00	7.65	8.60	2.92	1.12.81—86S
7½% Copenhagen 76/86	85.75	7.00	8.40	3.00	1.10.81—91S
7% Copenhagen 76/83	90.50	7.73	8.40	1.25	1. 2.86
8% Council of Europe 73/88	99.75	8.02	8.00	4.50	1. 2.78—83D
7% Council of Europe 76/83	99.50	7.79	8.61	0.49	1. 5.80—83D
7½% Council of Europe 76/83	97.70	7.16	8.57	1.58	1.11.83
6¾% Council of Europe 77/87	91.00	6.87	9.41	3.43	1.11.83—87D
6½% Council of Europe 78/88	87.75	7.12	8.97	4.17	1. 7.86
7¾% Council of Europe 78/88	89.75	6.82	9.31	4.55	15. 2.84—88D
6% Council of Europe 78/88 II	86.25	6.96	8.70	4.20	15. 7.84—88D
7½% Council of Europe 78/89	99.50	7.73	9.16	4.13	1. 9.86—89D
6% Council of Europe 79/89	89.50	6.89	9.01	4.17	1. 2.85—89D
7% Council of Europe 79/89	92.85	8.08	9.47	4.46	1.10.85—89D
10% Council of Europe 80/90	103.25	9.44	9.05	6.50	1. 8.86—90D
9½% Council of Europe 80/90	103.25	9.28	8.87	6.14	16. 4.87—91D
10% Council of Europe 81/91	104.65	9.56	9.33	7.37	16.10.87—91
10¼% Council of Europe 81/91	104.75	9.75	9.16	7.75	16. 2.88—91D
9½% Council of Europe 82/92	93.90	9.95	9.15	6.70	1. 2.89—92D
7% Courtaulds Int'l. 72/87	93.30	6.60	8.78	5.42	1.10.83—87S
6½% Credit National 77/87 PP (G)	99.40	6.79	8.83	1.87	1.11.83—87D
6% Credit National 78/83 PP (G)	98.35	6.57	9.40	4.87	16. 4.88—89D
8% Credit National 79/89 (G)	89.35	8.21	10.47	4.87	16. 4.88—89D
8% CVRD 76/83	98.25	9.16	10.08	1.75	1. 2.81(82-84)
7½% CVRD 78/84	99.25	8.65	8.86	4.58	1.12.82(83-86)
8% CVRD 76/86	98.25	7.36	11.60	4.88	1.11.86
7% Daimler-Benz 70/85	101.75	7.86	10.15	1.42	1. 5.75—85S
6% Daiwa Capital Mgmt 78/83 PP	94.75	6.60	10.03	1.02	1. 2.84
7% Danish Export 77/82 PP	98.00	6.12	10.15	0.16	due 1. 7.82
5¾% Danish Export 78/83 PP	95.75	6.01	10.08	1.33	1. 9.83
8% Den Danske Bk. 78/88	96.50	8.29	9.21	4.50	1.11.82—86S
7% Denmark 66/84	98.50	7.34	8.82	1.92	1. 8.75—84S
6% Denmark 69/84	98.70	7.09	7.30	2.25	1. 8.76—83S
6¾% Denmark 72/87	91.50	7.38	8.72	2.55	1. 2.87
6% Denmark 77/83	99.75	8.27	9.29	0.83	due 1. 4.83
6% Denmark 77/84	99.40	8.05	8.65	0.93	1. 5.83
7% Denmark 78/82	97.60	6.92	9.29	2.04	16. 5.84
7% Denmark 77/87	87.75	7.82	9.10	5.04	15. 5.87
6% Denmark 77/87	92.75	7.66	8.68	1.92	1. 2.87
6% Denmark 78/84	94.00	6.59	9.69	1.92	1. 4.84
6% Denmark 78/86	85.80	6.99	9.66	2.79	1. 2.85
6% Denmark 78/88	83.00	7.23	9.33	2.65	1. 2.88
6% Denmark 78/89	85.75	6.99	9.56	5.75	1. 2.89
6½% Denmark 79/85	87.00	7.47	9.16	2.75	1. 1.85
7% Denmark 80/86	93.00	7.53	8.76	4.36	1. 2.82P
8% Denmark 80/92	89.00	7.87	9.03	9.83	1.10.90
9% Denmark 80/90 PP	100.55	9.49	9.45	9.25	1. 2.90
10% Denmark 81/91	105.75	9.84	9.07	9.74	1. 9.91
10% Denmark 82/88	101.00	9.78	9.55	8.83	1. 3.92
6% Denmark 82/92 PP (G)	93.30	7.24	8.22	6.00	1.11.82—90D
6% Den Norske Ind. 68/83	98.60	6.70	8.22	1.00	1. 5.83—90D
6% Den Norske Ind. 78/90 (G)	89.00	6.76	8.67	1.92	1.10.84—90D
6½% District Paris 69/84 (G)	104.25	9.71	8.96	8.83	16.10.83
10% EEC 81/83	94.75	7.21	8.34	2.75	1.10.83
7¾% EEC 79/94	98.80	7.34	8.64	8.02	1. 4.83
7½% EEC 78/83	103.25	9.44	8.17	8.50	18. 4.87—94D
8¼% EEC 82/94					

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8½% Electr. de France 80/88 PP (G)	96.00	8.53	9.07	6.50	1.11.88
7% Elektrobras 77/87 (G)	84.50	7.41	8.90	5.32	1. 9.83(83-87)
8% Eletrobras 78/86 (G)	82.10	8.82	12.54	3.92	1. 4.86
7% Eletrobras 79/87 (G)	82.10	8.10	13.20	5.50	1. 2.87
6¾% Elf Aquitaine 78/88	95.30	6.13	8.91	5.01	15. 6.85—88D
7% Ellem 78/83 PP	86.55	8.09	12.01	0.96	1. 5.83—83D
6% Ericsson 72/87	98.25	6.67	7.18	4.62	1. 6.78—87S
6½% ESCOM 68/83 (G)	96.75	6.72	10.21	0.92	1.10.76—83S
6% ESCOM 70/85 (G)	98.25	6.49	9.24	1.83	1. 4.77—85D
8% ESCOM 71/86 (G)	97.00	8.25	9.71	3.23	1. 7.77—86D
6½% ESCOM 72/87 (G)	92.25	6.78	9.83	2.30	1. 9.78—87D
7% ESCOM 73/88 (G)	86.75	7.53	9.83	2.83	1. 7.79—88D
8% ESCOM 78/84 PP (G)	94.75	8.45	13.69	3.50	1.11.84
8% ESCOM 78/84 I PP (G)	96.50	8.09	10.67	2.25	1.10.83
8% ESCOM 78/84 II PP (G)	96.25	8.09	10.67	2.25	1. 8.84
9% ESCOM 80/87 PP (G)	97.50	9.23	9.57	5.75	1. 2.84—87D
9% ESCOM 80/87	99.25	9.37	9.27	5.25	1.11.87
7% ESTEL 73/86	91.00	8.62	9.72	4.25	1. 8.73—88S
6½% ESTEL 76/82	93.90	9.00	11.03	3.05	1. 8.81—85S
7% ESTEL 76/83 PP	96.25	8.81	12.45	0.83	1. 5.83
8% ESTEL 77/84 PP	83.00	7.83	15.10	2.50	1.11.84
7% ESTEL 77/84 PP	90.25	6.93	13.61	1.54	1.12.80—84D
6% ESTEL 78/85 PP	80.00	7.81	13.96	3.05	1.10.85
8½% ESTEL 78/86 PP	79.60	7.85	14.51	4.25	1. 8.86
8% ESTEL 80/85 PP	77.75	10.45	15.11	4.62	15.12.86
8% ESTEL 80/87 PP	79.53	11.10	14.95	5.37	15. 6.87
6½% Euratom 77/87	87.00	6.61	8.83	5.59	1.11.87
8½% Euratom 79/91 PP	87.50	7.14	9.17	5.10	1.11.89—91D
6% Eurofima 67/83	88.50	6.60	8.23	0.92	1. 5.73—83D
6½% Eurofima 72/87	96.25	6.49	7.61	2.42	1. 7.78—87D
7% Eurofima 73/88	92.10	6.49	8.06	3.51	1. 3.79—88D
6½% Eurofima 75/85	100.25	6.72	7.88	2.25	1. 3.77—85D
7% Eurofima 76/83	91.50	8.02	8.84	4.75	1.10.77—88D
6% Eurofima 76/86	89.50	8.27	9.49	7.98	1. 2.82
8% Eurofima 78/88	92.75	7.27	8.91	5.32	1. 5.82—87D
6½% Eurofima 78/89	91.25	6.70	8.52	4.75	1. 7.84—89D
7½% Eurofima 79/86	92.25	8.32	9.28	2.77	15. 2.84—88D
7½% Eurofima 79/89	94.50	7.38	8.37	4.66	1. 2.85—89D
6½% Eurofima 79/89 PP	90.50	7.27	9.12	4.52	1. 2.84—88D
7% Eurofima 79/84 PP	99.25	8.34	9.60	7.13	1.12.84
7½% Eurofima 80/87 PP	96.75	8.53	9.05	5.59	1.11.87
9% Eurofima 80/88 PP	94.00	9.38	9.15	8.64	15.12.88
10% Eurofima 81/91	106.75	9.69	9.14	9.91	15. 4.91
8¾% Eurofima 82/92	101.40	8.88	8.78	9.95	15. 4.92
7% Europ. Inv. Bank 69/84	96.60	6.69	8.96	1.72	1. 3.75—84D
6% Europ. Inv. Bank 69/84	99.25	7.05	7.69	1.48	1.11.75—84D
7½% Europ. Inv. Bank 71/86	97.77	7.61	8.06	3.08	1. 2.77—86D
8% Europ. Inv. Bank 71/86	98.25	8.14	8.46	2.92	1. 2.77—86D
6½% Europ. Inv. Bank 72/87	92.50	6.91	8.55	2.43	1. 3.73—87D
6% Europ. Inv. Bank 72/87	95.00	6.49	9.09	2.41	1. 5.80—87D
7½% Europ. Inv. Bank 73/88	94.75	7.12	7.91	5.75	1. 2.79—88S
8% Europ. Inv. Bank 73/88	94.00	8.45	8.67	3.61	1. 7.79—88S
9% Europ. Inv. Bank 75/85	103.75	9.45	8.17	0.67	1. 3.81—85D
7% Europ. Inv. Bank 76/83	99.25	7.05	8.37	1.17	1. 4.80—83D
7½% Europ. Inv. Bank 76/83	98.00	7.91	8.23	1.42	1. 7.83—83D
7% Europ. Inv. Bank 76/83 PP	94.75	6.58	9.03	1.59	1.12.81—84D
8% Europ. Inv. Bank 76/84	90.00	6.83	9.23	1.63	1. 8.82—89D
7% Europ. Inv. Bank 77/89	85.00	7.06	9.26	6.58	1. 2.88
6½% Europ. Inv. Bank 78/88 I PP	84.00	7.94	8.92	6.88	1. 8.88
6½% Europ. Inv. Bank 78/88 II PP	84.50	7.10	8.92	6.84	15.11.88
5¾% Europ. Inv. Bank 76/90	84.15	6.24	8.26	5.62	1. 3.83—90D
7½% Europ. Inv. Bank 78/83	84.75	7.06	8.61	8.42	1.10.90P
6% Europ. Inv. Bank 79/89	93.50	6.80	8.57	7.06	1. 6.89
7½% Europ. Inv. Bank 79/89 PP	92.50	7.57	9.20	7.36	1. 9.89
7½% Europ. Inv. Bank 79/91	87.00	7.47	8.69	8.67	1. 9.1P
10% Europ. Inv. Bank 80/86	104.00	8.89	8.04	4.00	1. 5.86
9% Europ. Inv. Bank 80/90	94.75	8.25	8.43	5.20	1. 5.90
8½% Europ. Inv. Bank 80/90	90.75	8.52	8.52	8.46	15.10.90
9% Europ. Inv. Bank PP	99.50	8.86	8.64	5.54	15.11.87
8% Europ. Inv. Bank	98.75	9.69	9.14	9.62	1. 1.93
9% Europ. Inv. Bank 80/90	102.40	9.27	9.05	8.58	1.12.90
10% Europ. Inv. Bank 81/91	105.75	9.57	8.17	8.50	1. 2.91
10½% Europ. Inv. Bank 81/91	107.75	9.74	9.18	8.92	1. 4.91
10% Europ. Inv. Bank 81/91 II	107.00	9.81	9.22	9.28	15. 6.91
9% Europ. Inv. Bank 81/91	108.10	9.84	9.28	9.52	15. 8.91
10% Europ. Inv. Bank 82/89	105.75	9.94	8.73	6.75	15. 1.89
10% Europ. Inv. Bank 82/92	105.75	9.74	9.12	9.92	1. 2.93
8% Europ. Inv. Bank 82/92	96.55	8.55	10.51	3.19	1. 2.77—84D
5% Europistas 71/86 (G)	95.25	8.40	10.23	3.27	1. 6.78—87D
6½% Europistas 72/87 (G)	90.50	10.14	9.34	1.91	1. 7.91
10% Ferrovie 82/87	100.40	6.90	9.34	5.10	1. 4.87
6½% Finland 68/83	97.50	7.18	9.70	1.02	1. 6.73—83D
6% Finland 69/84	97.00	6.36	9.09	1.07	1. 4.75—84D
7½% Finland 69/84	90.50	7.25	9.81	1.49	1. 2.75—84D
7½% Finland 72/87	98.00	7.65	9.24	1.45	1.10.77—84D
6% Finland 76/83	99.10	7.06	7.25	4.52	1. 4.78—87S
7% Finland 76/84	99.50	8.04	8.36	2.08	1. 6.81—84S
6% Finland 76/83 PP	95.25	6.33	9.32	1.58	1. 2.83
5% Finland 78/83	93.25	5.50	9.34	1.25	1. 8.85
6% Finland 78/86	88.40	6.50	9.56	3.75	1. 9.89
5% Finland 78/88	84.50	5.42	9.59	6.42	1. 3.86
10% Finland 81/88	102.35	9.77	9.52	7.00	1. 5.89
10% Finland 81/91	102.35	9.77	9.52	8.00	1. 5.89
9½% Finland 81/86	101.20	9.53	9.49	6.91	1.11.86
10½% Finland 82/89	102.55	10.24	10.24	6.91	1. 3.89
8% Finn. Industriebank 80/90 (G)	96.80	8.90	9.70	4.76	1.11.83—90D
8% Finn. Kommunal 71/83 (G)	99.00	8.50	9.28	1.00	2. 5.76—83D
10% Finn. Kommunal 82/92 (G)	102.75	9.73	9.46	9.83	1. 2.92
8% Forsmarks 75/83 (G)	99.25	8.21	8.91	1.17	1. 7.80—83D
5¾% Forsmarks 76/86 (G)	87.20	6.59	9.78	2.56	1.11.82—86S
5½% Forsmarks 83/87 (G)	98.25	9.03	9.54	4.47	1.11.85—87D
7% Francetel 76/83 PP	97.50	7.05	9.03	1.45	16.10.83
7½% Francetel 77/84 PP (G)	95.50	7.07	9.41	1.92	1. 4.84
10½% Gaz de France 82/92 (G)	102.50	9.39	9.20	8.88	1. 4.90—92D
7½% Gen. Zbk. Vienna 76/83 PP	98.00	6.70	8.62	1.25	1. 4.83
8% Gen. Zbk. Vienna 77/87	93.00	6.97	9.62	3.49	1.12.83—87D
5¾% Giroz. Vienna 76/83	97.20	7.45	8.57	1.50	1.11.83
7% Giroz. Vienna 77/82	85.50	5.53	9.18	0.42	1.10.82
7% Giroz. Vienna 77/86	87.25	6.59	9.39	4.42	1.10.86
7% Giroz. Vienna 78/86 PP	94.85	7.25	8.75	2.67	1.12.86
7% Giroz. Vienna 78/84 PP	97.75	7.73	9.35	1.83	16. 8.84
10% Giroz. Vienna 81/91	106.75	10.07	9.60	8.16	1. 7.91
6% G.I.S. 76/83 PP	97.37	6.16	9.28	0.83	1. 3.82—83D
8% Grand Metrop. Fin. 77/84	99.00	6.41	9.74	2.30	1. 8.81—84S
7% Guest-Keen-Nettl. 76/83 PP	99.00	8.08	9.09	1.25	1. 5.83
6½% Hamersley Iron 72/87	94.00	7.18	8.21	5.17	1. 7.78—87S

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8¼% Hazama-Gumi 80/85 PP	93.50	8.88	9.31	3.12	16. 6.85
7% Holsinki 66/83	98.25	7.12	8.78	1.17	1. 7.72—83S
9% Hidroeléctr. Ibécica 80/90	94.50	9.52	10.43	5.05	1. 8.84—90D
5¾% Hitachi Shipbldg. 78/83	95.50	6.02	8.80	1.62	16.12.83
8¼% Honeywell Bull 80/90	95.25	8.79	9.21	8.25	1. 9.90P
8¼% IAKW. Vienna 75/85 (G)	99.50	8.79	9.04	1.97	1. 5.80—85D
10% IBM 80/86 PP	105.00	9.25	8.44	3.92	1. 4.86
7¼% Iceland 69/84	98.25	7.38	8.39	2.00	1. 5.75—84S
7¾% Iceland 77/87	94.25	8.22	9.25	4.92	1. 4.80—87S
6½% ICI Int'l. 72/92	90.50	7.18	7.92	9.83	1. 3.78—92S
7½% ICI Int'l. 76/86	96.50	7.77	8.66	3.56	1.12.84—86D
6¾% ICI Int'l. 77/87	94.10	7.17	8.81	3.45	1. 5.84—87D
8% ICIPU 71/91 (G)	93.25	8.58	10.19	4.35	1. 1.77—91D
8% Imatran Voima 72/87 (G)	98.25	8.14	9.64	4.67	1. 1.78—87S
7% Indonesia 78/84	91.25	7.67	11.29	2.42	1.10.84
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	97.25	8.23	10.57	1.17	1. 7.83
5% Industr. Bk. Japan 78/84	94.75	5.28	8.48	1.67	1. 1.84
7¾% Ind. Fund of Finnland 79/87 PP	92.00	8.02	9.97	3.83	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	86.00	8.72	13.48	3.00	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	75.35	10.29	14.90	5.17	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	82.00	8.84	17.01	2.37	16. 9.84
8% Ind. Mtgebk. Finl. 71/86 (G)	96.50	8.29	9.84	2.49	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	92.00	7.53	9.92	3.07	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	6.78	7.32	1.17	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	99.50	7.04	7.37	2.25	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	99.75	8.52	8.70	3.33	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	97.00	6.96	7.48	5.08	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	95.75	7.05	7.71	5.50	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	99.75	8.10	9.05	0.78	16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	92.50	8.92	15.69	1.17	1. 7.83
7% Int. Am. Dev. Bank 77/87	95.50	7.33	8.18	4.67	1. 1.83—87S
6¾% Int. Am. Dev. Bank 78/88	88.75	7.04	8.85	5.67	1. 1.88
7¾% Int. Am. Dev. Bank 79/86	96.25	8.05	8.85	4.17	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	91.50	8.74	9.68	7.21	15. 7.89
8% Int. Am. Dev. Bank 80/88	96.90	8.26	8.69	5.75	1. 2.88
10% Int. Am. Dev. Bank 81/91	104.90	9.53	9.16	8.83	1. 3.91
10¼% Int. Am. Dev. Bank 81/91	106.00	9.67	9.20	9.54	15.11.91
9% Int. Am. Dev. Bank 82/92	100.25	8.98	8.96	9.95	15. 4.92
6¾% Int'l. Com'l. Bank 73/83	97.50	6.92	9.26	1.08	1. 6.79—83D
7½% Ireland 79/87 PP	92.25	8.13	9.52	4.99	1. 5.87
8¼% Ireland 80/88	94.00	8.64	9.52	5.67	1. 1.88
10¼% Ireland 81/86	102.25	9.90	9.47	4.62	15.12.86
7¼% ISCOR 71/86 (G)	93.80	8.26	9.85	4.09	1. 6.77—86D
7% ISCOR 72/87 (G)	91.00	7.69	11.06	2.81	1. 4.78—87D
7% ISCOR 73/88 (G)	90.00	7.78	10.86	3.18	1. 3.73—88D
8½% ISCOR 73/88 (G)	94.25	9.02	10.62	3.30	1.11.79—88D
8¼% ISCOR 78/84 PP (G)	94.50	8.73	10.87	2.46	16.10.84
7% Japan 68/83	99.00	7.07	8.42	0.83	1. 3.72—83S
8½% Japan Air Lines 80/87 (G)	100.00	8.13	8.11	5.54	16.11.87
7¼% Japan Dev. Bank 76/83 (G)	98.75	7.34	8.70	0.92	1. 4.83
7¾% Japan Dev. Bank 80/87 (G)	97.75	7.80	8.15	5.33	1. 9.87
10¼% Japan Synthetic 80/85 PP	101.25	10.12	9.73	2.95	15. 4.85
8% Johannesburg 71/86 (G)	95.35	8.39	10.39	2.23	1. 9.77—86D
6¼% Johannesburg 72/87 (G)	83.30	6.98	10.94	2.63	1. 9.78—87D
7¼% Jydsk Telefon 69/84	96.90	7.48	8.91	2.37	15. 9.75—84S
6¾% Jydsk Telefon 72/87	94.65	7.13	8.12	4.83	1. 3.78—87D
7¾% Jydsk Telefon 73/88	93.75	7.57	8.19	5.75	1. 2.79—83D
9% Jydsk Telefon 75/82 PP	99.87	9.01	9.43	0.17	due 1. 7.82
8½% Jydsk Telefon 80/90	94.00	9.04	9.62	7.75	1. 2.90
6¾% Kansai Electric 69/84	99.00	6.82	7.47	1.83	1. 3.75—84S
7¾% Kansai Electric 71/86	98.75	7.85	8.13	4.00	1. 5.77—86S
6¾% KELAG 73/88	91.25	7.20	9.40	2.66	1. 5.79—88S
6¾% KHD Finance 72/87	95.75	7.05	7.86	6.00	2. 5.78—87S
7¾% Kjobenhavns H. Bank 76/83 PP	94.50	7.14	8.13	5.00	1.12.83
7½% Kjobenhavns Tel. 72/87	96.25	7.66	9.09	1.58	2. 1.73—87S
7% Kjobenhavns Tel. 72/87	94.80	7.91	9.08	4.67	1. 5.73—87S
6½% Kjobenhavns Tel. 73/88	92.75	7.55	8.86	5.00	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85 PP	86.50	7.34	9.09	5.92	1. 5.79—85D
7% Kobe 68/83 (G)	91.00	5.49	10.28	1.97	1. 6.72—83S
6¾% Kobe 69/84 (G)	99.50	7.04	7.62	1.08	1. 5.73—84S
7¾% Kobe 71/86 (G)	99.60	6.79	7.09	2.00	1. 2.77—86S
6¾% Kobe 72/87 (G)	99.75	7.77	7.81	3.75	1. 5.78—87S
7½% Kobe 76/83 (G)	95.25	7.09	7.94	5.00	1. 6.83
6½% Kobe 77/87 (G)	99.00	7.58	8.43	1.08	1. 6.87
5¾% Kobe 78/86 (G)	93.75	6.93	8.04	5.08	1. 7.86
7¾% Kobe 79/89 (G)	92.00	6.25	8.08	4.17	1.10.89
8% Kobe 80/90 (G)	94.35	7.55	9.16	7.42	1. 7.90
7¾% Kommunl. Inst. 76/83	93.50	8.34	8.08	8.17	1. 4.81—83D
8% Kommunl. Inst. 76/84	98.90	7.84	9.02	0.92	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	98.50	8.12	8.67	2.46	1.12.84
5¼% Kubota Int'l. 77/82 PP	91.90	7.92	11.17	2.58	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	98.00	5.36	8.82	0.58	1. 3.84—88D
6¾% Light-Services 78/86 (G)	87.00	6.61	10.08	3.74	1. 5.86
8½% Light-Services 80/90 (G)	82.75	8.16	12.49	4.00	16. 1.86—90D
	85.25	9.97	12.27	5.59	

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8¾% Lonrho Intern. 80/87	100.00	8.75	8.75	5.00	2. 5.87
6½% Lufthansa Int'l. 79/86 PP	93.00	6.99	8.71	3.83	1. 3.86
7% Malaysia 72/84	94.00	7.45	11.36	1.57	1. 6.75—84D
6½% Malaysia 77/85	91.50	7.10	9.57	3.33	1. 9.85
9¼% Malmoe 75/84	100.30	9.20	8.74	1.24	1. 2.81—84D
8¼% Malmoe 76/83	99.50	8.29	8.64	0.83	1. 3.80—83D
6½% Manitoba 77/84	97.25	6.68	7.91	2.17	1. 7.84
6¾% Manit. Hydro El. 72/87	94.00	7.18	8.24	5.08	1. 6.78—87S
6¼% Mesal Fin. Comp. 78/90	83.50	7.49	9.35	7.67	2. 1.85—90S
7% Mesal Fin. Comp. 73/89	88.00	7.95	9.44	6.92	1. 4.87—98P
7% MEPC 73/88	91.75	7.63	10.01	3.36	1. 5.79—88D
7¼% Mexico 73/88	91.50	7.92	9.23	5.67	1. 1.79—88S
9% Mexico 75/82	99.85	9.01	9.58	0.17	due 1. 7.82
8% Mexico 76/83	97.75	8.19	10.27	1.08	1. 6.83
7¾% Mexico 77/84	94.50	8.20	10.82	2.08	1. 6.84
6% Mexico 78/85	83.75	6.76	10.68	2.92	1. 4.85
11% Mexico 81/88	103.25	10.65	10.27	6.62	16.12.88
8¾% Michelin Finance 80/87 PP	97.75	8.95	9.26	5.54	16.11.87
8½% Midland Int. Fin. 80/90	100.15	8.49	8.46	8.46	15.10.90
6½% Mitsubishi Chemical 79/84	97.00	6.70	8.19	2.00	30. 4.84
5¾% Mitsubishi Petro 78/83	96.25	5.97	8.81	1.33	1. 8.83
9% MODO 75/83	99.90	9.01	9.07	1.08	1. 6.80—83D
7% Montreal 69/89	97.00	7.22	7.95	3.76	1. 4.70—89D
6% Montreal 72/92	87.25	6.88	9.35	4.89	1. 9.73—92D
6¾% Montreal 73/93	86.25	7.83	8.73	11.08	1. 6.74—93S
8½% Montreal 76/86	100.10	8.49	8.42	2.09	1. 7.77—86S
7% Montreal 77/87	93.25	7.51	8.65	5.21	16. 7.78—87S
7½% Morig. Denmark 69/84 (G)	98.25	7.63	8.46	2.50	1.11.75—84S
7% Morig. Denmark 73/88 (G)	90.75	7.71	9.01	6.17	1.7 .79—88S
8½% Morig. Denmark 80/90 (G)	93.20	9.12	9.73	8.17	1. 7.90
10¼% Morig. Denmark 81/91	103.25	10.17	9.94	9.50	1.11.91
6¾% Morig. Bk. Finl. 69/84 (G)	97.50	6.92	8.35	1.92	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	96.50	9.07	11.20	1.58	1.12.83
7% Nafi. Mexico 77/82 PP (G)	98.73	7.09	10.76	0.33	due 1. 9.82
8¾% Nafi. Mexico 77/84 (G)	96.65	9.05	10.32	1.83	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	96.25	9.09	11.08	1.63	1. 3.84
11% Nafi. Mexico 82/90 (G)	101.25	10.86	10.74	7.82	1. 3.90
6½% Nat. Bk. Hungary 77/85	84.150	7.72	12.21	3.50	1.11.85
7% Nat. Nederl. Fin. Maat 79/86 PP	92.50	7.57	9.12	4.42	1.10.86
8% Nat'l. Westm. Bk. 73/88	98.25	8.14	8.35	6.42	1.10.79—88S
11% Nat'l. Westm. Bk. 81/91	109.25	10.07	9.45	9.42	1.10.91
9¾% Nat'l. Westm. Bk. 82/92	105.75	9.34	8.95	9.67	1. 1.92
8% Nederl. Gasunie 79/86	100.00	8.00	7.98	4.58	1.12.83—88
8½% Nederl. Gasunie 80/87	100.75	8.44	8.21	3.28	1. 3.84—87S
6¾% New Brunswick 72/87	94.50	7.14	8.01	5.50	1.11.78—87S
7¼% Newfoundland 69/84	98.50	7.36	8.14	2.25	1. 8.75—84S
8% Newfoundland 71/86	99.50	8.04	8.13	4.25	1. 8.77—86S
6¾% Newfoundland 72/87	94.75	7.12	7.95	5.50	1.11.78—87S
6½% Newfoundland 73/88	94.00	6.91	7.80	5.92	1. 4.81—88S
6¾% New Zealand 69/84	97.25	6.93	9.25	1.24	1. 2.75—84D
7½% New Zealand 71/86	100.00	7.50	7.64	2.45	1. 5.77—86D
7% New Zealand 72/87	96.25	7.27	8.61	2.67	1. 2.78—87D
7½% New Zealand 76/83	99.25	7.56	8.42	0.83	1. 3.83
7¾% New Zealand 76/86	99.00	7.83	8.19	2.42	1.11.82—86D
6¼% New Zealand 77/84	96.50	6.48	8.22	2.00	1. 5.84
5¼% New Zealand 78/86	89.90	5.84	8.43	3.83	1. 2.86
6% New Zealand 79/86 PP	91.12	6.58	8.87	3.75	1. 2.86
6¼% New Zealand 79/87	93.00	6.72	8.10	4.67	1. 1.87
7¼% New Zealand 79/87	95.25	7.48	8.24	5.37	15. 9.87
8¼% New Zealand 79/84 PP	99.00	8.33	8.66	2.58	1.12.84
7½% New Zealand 80/88	93.50	7.99	8.18	6.21	15. 7.88
9¾% New Zealand 81/89	105.00	9.29	8.80	7.58	1.12.89
6¾% Nippon Housing Loan 79/84 PP	94.50	7.14	9.85	2.04	16. 5.84
6½% Nippon Kokan 79/84	96.10	6.76	8.79	1.92	1. 4.84
5¾% Nippon Steel 78/85	93.00	6.18	8.22	3.33	1. 9.85
8¼% Nippon T + T 75/82 (G)	99.85	8.26	9.77	0.08	due 1. 6.82
7¾% Nippon T + T 76/83 (G)	98.90	7.84	8.55	1.42	1.10.83
5½% Nippon T + T 79/87 (G)	90.10	6.10	8.08	4.75	1. 2.87
5¾% Norcem 78/85	91.50	6.28	9.28	2.83	1. 3.85
7½% Norcem 79/86 PP	92.00	8.15	9.84	4.32	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	94.25	5.31	8.66	1.75	1. 2.84
6¼% Nordic Inv. Bank 79/86	91.75	6.81	8.97	3.67	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	100.10	8.49	8.61	1.87	1.10.76—85S
7% Norges Komm. Bank 77/89 (G)	95.65	7.32	7.83	6.92	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	89.60	6.70	7.89	7.46	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	89.70	6.69	7.84	7.58	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	89.40	6.71	7.78	8.25	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 (G)	90.40	6.91	8.16	6.67	1. 1.84—89S
7¼% Norges Komm. Bank 79/89 PP (G)	95.125	7.75	9.28	7.29	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	96.00	8.07	8.39	9.17	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	97.90	8.43	8.52	12.62	16.12.85—94S
8½% Norpipe 76/84	101.00	8.42	7.64	1.34	1. 2.80—84S
8% Norpipe 76/88	98.25	8.14	8.37	6.08	1. 6.83—88S
6% Norpipe 77/89	87.00	6.90	8.39	7.50	1.11.84—89S
7¼% Norsea Gas 76/88	94.00	7.71	8.46	6.58	1.12.83—88S
7% Norsea Gas 77/83	92.00	7.61	8.53	7.17	1. 7.84—89S
9% Norsk Hydro 75/87	102.00	8.82	8.14	2.76	1. 3.80—87D
8% Norsk Hydro 76/88	99.50	8.04	8.10	5.92	1. 4.83—88S
6¾% Norsk Hydro 77/89	94.00	7.18	7.88	7.08	1. 6.82—89S
5¾% Norway 77/82	99.30	5.79	8.51	0.25	due 1. 8.82
4¾% Norway 78/83	97.35	4.88	8.95	0.67	1. 1.83
4¾% Norway 78/83	96.25	4.55	8.79	0.92	1. 4.83
6¼% Norway 79/84	96.30	6.49	8.41	1.92	1. 4.84
7½% Norway 80/85	98.40	7.62	8.16	2.71	15. 1.85
7¼% Norw. Mortgage 77/87	95.00	7.63	9.26	2.95	16. 5.83—87D
6% Norw. Mortgage 77/89	89.60	6.70	9.35	3.81	16.11.82—89D
7¾% Nova Scotia 71/86	98.00	7.91	8.84	2.50	1.12.77—86D
7% Nova Scot. Power 72/87	95.75	7.31	7.96	5.58	1.12.78—87S
9¾% Nuclebras 80/88 (G)	97.25	10.03	10.34	6.37	16. 9.88
6¾% Occident. Int. Fin. 78/90	82.75	8.16	9.80	8.58	1.12.85—90S
6½% Occident. Overs. 68/83	97.25	6.68	8.78	1.42	1.10.72—83S
6% Oester. Donaukr. 59/84 (G)	96.25	6.23	9.47	1.24	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	93.25	7.24	8.25	5.83	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	100.25	8.73	8.56	1.81	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	95.90	7.30	8.94	2.66	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	95.70	7.31	9.94	1.62	16.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	89.50	6.15	9.48	3.17	1. 7.85
6⅞% Oest. Inv. Kredit. 79/84 PP	99.25	6.93	7.19	2.50	1.11.84
7% Oest. Kontrollbank 76/83 PP (G)	95.50	7.33	10.16	1.58	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	95.85	7.04	9.41	1.74	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	94.75	6.86	9.26	2.17	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	93.25	6.70	9.70	2.25	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	90.50	6.63	9.28	3.50	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	94.75	6.07	8.38	2.25	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	88.35	7.36	8.89	6.62	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	87.00	6.90	9.51	4.75	1. 2.87
7⅜% Oest. Kontrollbank 79/89	91.75	8.04	8.93	7.42	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	98.00	8.16	8.86	2.58	1.12.84
7⅞% Oest. Kontrollbank 79/86 PP (G)	95.25	8.27	9.16	4.62	16.12.86
8% Oest. Kontrollbank 80/87 (G)	97.75	8.18	8.58	4.75	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	99.75	8.77	8.84	2.87	15. 3.85
8½% Oest. Kontrollbank 80/88 (G)	99.25	8.56	8.64	6.50	1.11.88
9% Oest. Kontrollbank 80/87 PP	100.00	9.00	9.00	5.04	15. 5.87
8¼% Oest. Kontrollbank 80/92	95.35	8.65	8.96	10.17	1. 7.92
7¾% Oest. Kontrollbank 80/88 PP (G)	93.50	8.29	9.13	6.33	1. 9.88
10⅛% Oest. Kontrollbank 81/91	104.00	9.74	9.45	9.49	1.11.91
9¼% Oest. Kontrollbank 82/92 (G)	101.50	9.11	9.01	9.95	16. 4.92
5½% Oest. Landerbank 77/82	98.00	5.61	9.07	0.58	1.12.82
6½% Ontario 69/84	97.50	6.67	8.84	1.24	1. 2.75—84D
6% Ontario 72/87	94.00	6.38	8.55	2.71	1. 9.80—87D
7½% Ontario Hydro 71/86	98.25	7.63	8.27	2.50	1.12.77—86D
6½% Ontario Hydro 72/87	94.25	6.90	8.75	3.00	1. 6.80—87D
6½% Ontario Hydro 73/88	93.90	6.92	8.75	3.21	1. 3.81—88D
7½% Oslo 69/84	97.50	7.69	9.58	1.47	1.11.75—84D
7½% Oslo 71/87	99.75	7.52	7.70	4.67	2. 1.78—87S
6¾% Oslo 73/93	93.75	7.20	7.81	8.17	1. 7.78—90S
9% Oslo 75/87	101.30	8.88	8.46	2.93	1. 3.78—87S
8¾% Oslo 80/90	100.50	8.71	8.59	4.12	1. 3.83—90S
6¾% Papua 73/88	95.25	7.09	7.74	6.17	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	91.00	7.42	10.40	2.98	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	92.00	8.15	9.94	4.14	1. 7.85—87D
8¾% Pemex 76/83	98.00	8.93	10.11	1.58	1.12.83
7% Pemex 77/84	92.40	7.58	10.82	2.33	1. 9.84
7% Pemex 78/86	88.75	7.89	10.85	3.67	1. 1.86
11% Pemex 82/90	101.25	10.86	10.73	7.74	1. 2.90
7% Petrobras 77/84	90.00	7.78	11.96	2.42	1.10.84
7% Petrobras 78/88	82.00	8.54	12.65	4.30	1.10.34—88D
7% Petrobras 79/89	82.85	9.66	12.60	5.30	1.10.85—89D
7¼% Philippine 77/84	92.50	7.84	10.79	2.50	1.11.84
6¾% Philippine 78/85	89.25	7.56	11.27	2.92	1. 4.85
9½% Philip Morris Int. 82/92	104.75	9.07	8.53	6.74	1. 2.89
5¾% PK-Banken 78/88	86.50	6.65	10.10	3.90	1. 5.84—88D
6⅛% Postipankki 79/85 PP	96.00	6.38	8.69	1.72	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	97.00	7.47	10.83	0.92	1. 4.83
6¼% Pyhrn. Autobahn 77/89 (G)	87.75	7.12	9.59	4.70	1. 9.84—89D
6½% Quebec 72/87	92.75	7.01	9.30	3.08	1. 7.78—87D
7½% Quebec 77/87	96.75	7.75	8.34	4.75	1. 2.87
7¼% Quebec 77/87	94.75	7.65	8.56	5.08	1. 6.87
6% Quebec 78/90	86.25	6.96	9.37	5.37	1. 5.85—90D
10¾% Quebec 81/91	107.15	10.03	9.54	9.33	1. 9.91
10⅛% Quebec 82/92	106.00	9.55	9.16	8.79	15.12.92
6¾% Quebec Hydro El. 69/84	98.60	6.85	7.75	1.75	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	98.50	7.36	8.65	1.31	1. 9.75—84D
8% Quebec Hydro El. 71/86	99.50	8.04	8.41	2.25	1. 9.77—86D
6½% Quebec Hydro El. 72/87	93.50	6.95	9.20	2.83	1. 4.78—87D
6½% Quebec Hydro El. 72/88	92.50	7.03	9.30	3.20	1. 3.79—88D
6½% Quebec Hydro El. 77/87	91.40	7.11	8.58	5.29	16. 8.87P
6¼% Quebec Hydro El. 77/87	89.85	6.96	8.60	5.58	1.12.87P
10¼% Quebec Hydro El. 81/91	105.90	9.68	9.28	8.58	1.12.91
8½% Queensland Alu. 70/85	99.50	8.54	8.86	3.50	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	86.50	6.65	10.18	3.82	1. 4.84—88D
7¼% Reed Paper 73/88	91.90	7.89	9.13	5.67	1. 1.79—88S
7½% Renault 80/85 PP	94.37	7.95	9.52	3.33	1. 9.85
10¾% Renault 81/86 PP	103.87	10.35	9.56	4.17	1. 7.86

WestLB Euro-Deutschmarkbond Yield Index

Apr. 30, 1982: 9.30% (Mar. 31, 1982: 9.77%)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8½% Renfe 76/82 (G)	99.75	8.52	9.73	0.17	due 1. 7.82
8% Renfe 77/84 (G)	97.75	8.18	9.32	1.92	1. 4.84
7% Renfe 79/87 (G)	87.50	8.00	10.27	5.08	1. 6.87
9% Rep. Chile 80/86	93.00	9.68	11.13	4.25	1. 8.86
5¼% Rauh. Comp. 78/83	95.00	5.53	9.65	1.25	1. 8.83
7¾% Roy Bk. of Canada 80/90	97.60	7.94	8.15	8.25	1. 8.90
6¾% Roy Lease 79/84 PP	95.37	7.08	8.93	2.42	1.10.84
7¾% SAAB 71/86	96.40	8.04	9.01	4.08	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	95.00	7.89	8.73	5.17	1. 7.83—87S
7½% Sandvik 72/87	94.25	7.96	10.04	2.65	1. 2.78—87D
9¼% Sandvik 75/83	99.90	9.26	9.28	0.75	1. 2.83
7% Sanko Steamship 77/84	97.00	7.22	8.89	1.75	1. 2.84
8¼% Seiyu Stores 80/86	96.50	8.55	9.36	3.83	1. 3.86
6½% Shell Int'l. 72/87	97.50	6.67	7.12	4.92	1. 4.78—87S
6¾% Shell Int'l. 77/89	95.75	7.05	7.86	4.67	1. 2.85—89D
7% Singapore 72/82	99.60	7.03	9.58	0.17	due 1. 7.78—82S
6½% Singapore 77/83	97.25	6.68	9.51	1.00	1. 5.83
8½% Sira Kvina 70/85	99.66	8.53	8.87	2.06	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	98.00	6.63	8.00	1.42	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	96.75	7.75	8.92	2.66	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92 PP (G)	85.00	7.35	9.77	5.74	16.12.83—92D
9% Soc. Mar. Fina 75/83 PP	98.75	9.11	10.38	1.00	1. 5.79—83D
6¼% Sorrente 79/84 PP	92.37	6.77	11.36	1.71	16. 1.84
6¾% South-Africa 69/84	99.50	6.78	7.15	1.92	1. 4.73—84S
8½% South-Africa 70/85	99.55	8.54	8.84	3.50	1.11.76—85S
7¾% South-Africa 71/86	98.25	7.89	8.39	4.50	1.11.77—86S
7% South-Africa 72/87	90.75	7.71	9.20	5.50	1.11.78—87S
9% South-Africa 80/87	97.85	9.20	9.53	5.17	1. 7.87
7¾% South-Afr. Oil Fund 78/82 I PP (G)	99.00	7.83	11.69	0.25	due 1. 8.82
7¾% South-Afr. Oil Fund 78/82 II PP (G)	99.00	7.83	10.35	0.37	due 16. 9.82
8% South-Afr. Oil Fund 79/83 PP (G)	95.50	8.38	11.35	1.50	1.11.83
7¾% South-Afr. Oil Fund 79/84 PP (G)	96.00	8.07	10.22	1.83	1. 3.84
7½% South-Afr. Railway 73/88 (G)	91.00	8.24	9.51	6.08	1. 6.79—88S
8% South-Afr. Railway 78/83 I PP (G)	96.25	8.31	11.56	1.17	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	95.75	8.36	11.54	1.33	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	94.75	8.18	11.49	1.58	1.12.83
7% South Scotl. El. 73/88 (G)	94.25	7.43	8.29	5.75	1. 2.79—88S
6¾% Spain 77/84	94.00	7.18	9.82	2.25	1. 8.84
6% Spain 78/88	85.75	7.00	9.30	6.00	1. 5.88
6% Sparbank Oslo 78/90 PP	86.50	6.94	10.02	4.29	16. 5.81—90D
7¾% Standard Imp. & Exp. 78/82 PP	99.25	7.81	10.63	0.25	due 1. 8.82
6½% Stand. Chart Bank 78/88	90.15	7.21	8.77	5.67	1. 1.88
6% Statoil 78/88 (G)	89.65	6.69	8.15	5.33	1. 9.84—88S

CONVERTIBLES — U.S. / JAPAN / EUROPE / AUSTRALIA / CANADA [illegible]

[illegible]

WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
6½% Statoil 79/89 (G)	90.00	7.22	8.48	6.83	1. 3.86—89S
7% Statsfoeretag 77/85	95.75	7.31	9.65	1.80	1. 3.82—85D
8¾% Stockholm County 75/87	99.00	8.84	9.15	2.83	1. 4.79—87D
8½% Sumitomo Metal 75/82	99.85	8.51	9.12	0.17	due 1. 7.82
7½% Sun Oil Int. Fin. 73/88	97.50	7.69	8.01	6.25	1. 8.79—88S
7¼% Svenska Cell 73/88	92.00	7.88	9.08	5.75	1. 2.79—88S
10¼% Svenska Hdl. Bk. 81/87	101.87	10.06	9.76	5.47	20.10.87
6¾% Sveriges Inv. Bk. 72/87	93.50	7.22	8.43	4.83	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	94.50	7.41	8.22	5.83	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	99.75	8.52	8.72	1.08	1. 6.80—83S
6½% Sweden 77/84	96.00	6.77	8.77	2.00	1. 5.84
6% Sweden 77/89	86.75	6.92	8.42	7.58	1.12.83—89S
7¾% Sweden 79/89	93.60	8.28	8.99	7.17	1. 7.89
7½% Sweden 79/89 PP	90.50	8.29	9.35	7.25	1. 8.89
8% Sweden 80/87 PP	96.00	8.33	8.05	4.79	16. 2.87
9¾% Sweden 80/87	102.60	9.50	9.06	4.92	1. 4.87
9% Sweden 80/87 PP	100.12	8.99	8.97	5.04	15. 5.87
9¼% Sweden 80/87 PP	99.00	9.34	9.47	5.50	1.11.87
7⅞% Sweden 80/90	93.10	8.46	9.08	8.33	1. 9.90
9¾% Sweden 82/88	102.90	9.48	9.08	5.86	15. 3.88
9¾% Sweden 82/92	102.00	9.56	9.42	9.86	15. 3.92
9½% Swedish Export 80/87	100.25	9.48	9.39	4.03	1.12.84—87S
10¼% Swedish Export 81/91	102.50	10.00	9.76	7.94	1.11.88—91
9% Tauernautobahn 73/83 PP (G)	99.87	9.01	9.09	0.83	1. 3.83
5½% Tauernautobahn 78/93 (G)	79.25	6.94	8.49	10.92	1. 4.84—93S
8½% Tauernautobahn 80/90 (G) PP	97.00	8.76	9.01	8.46	16.10.90
7% Tauernkraftwerke 68/83 (G)	98.65	7.10	9.07	0.75	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	98.75	6.58	7.63	1.33	1. 9.74—83S
10½% Telefonica 82/92	101.25	10.37	10.28	9.82	1. 3.92
8% Tenpfinco 73/93	94.50	8.47	8.77	11.50	1.11.82—93S
6¼% Thailand 78/83 PP	96.00	6.51	11.05	0.92	1. 4.83
8¼% Thyssen Car. Fin. 75/82 PP	100.05	8.25	7.65	0.16	due 1. 7.82
7¼% Tokyo El. Power 69/84	97.50	7.44	9.20	1.55	1.12.75—84D
6½% Tokyo El. Power 79/85	95.50	6.81	8.25	3.00	1. 5.85
5½% Toyo Rubber 78/83 PP	94.50	5.82	9.80	1.42	1.10.83
6½% Traf. House Fin. 72/87	95.25	6.82	7.59	5.42	1.10.78—87S
6% Trinidad & Tobago 78/83	96.50	6.22	10.16	0.92	1. 4.83
6¾% Trondheim 68/83	96.80	6.97	9.16	1.58	1.12.72—83S
5¾% Trondheim 78/88	86.50	6.65	9.31	4.89	1. 4.86—88D
7½% TRW Int. Fin. 69/84	98.10	7.65	8.56	2.42	1.10.75—84S
6% TVO Power 78/88 (G)	86.10	6.97	9.21	5.75	1. 2.84—88S
5¾% UDS Group 78/83	95.00	6.05	9.88	1.33	1. 9.83
8½% Unilever 75/87	101.00	8.42	8.06	2.62	1. 5.81—87S
6½% Union Bank Finland 78/88	87.25	7.45	9.14	6.62	16.12.84—88S
5¾% Uniroyal 78/84 PP	89.00	6.46	11.55	2.25	1. 1.84
7% Venezuela 68/83	97.85	7.15	8.82	1.42	1.10.74—83S
6% Venezuela 78/88	78.75	7.62	11.14	5.83	1. 3.84—88S
6½% Venezuela 78/90	77.40	8.40	10.66	8.50	1.11.85—90S
9¾% Venezuela 80/90	94.75	10.29	10.70	8.50	1.11.86—90
11½% Venezuela 81/91	100.65	11.43	11.38	9.57	1.12.86—90
8¼% Vienna 75/84	100.00	8.25	8.20	1.22	1.12.91
5¾% Vienna 77/84 PP	92.50	6.22	9.06	2.62	1. 8.79—84D
8½% Voest-Alpine 73/88	98.00	8.67	8.90	6.42	15.12.84
8½% Voest-Alpine 75/85	98.85	8.60	9.12	2.05	1.10.79—88S
6¾% Voest-Alpine 77/89	90.00	7.50	9.61	4.45	1. 6.81—85D
6½% Wells Fargo ex w. 73/88	93.25	6.97	7.85	6.50	1. 6.84—89D
8¾% Westland-Utrecht 80/85 PP	95.25	9.19	10.76	2.83	1.11.79—88S
9% Westland-Utrecht 80/87 PP	93.50	9.63	10.59	5.50	1. 3.85
5½% Worldbank 65/85	99.25	5.54	5.86	2.92	1.11.87
6½% Worldbank 68/84 PP	97.00	6.70	9.28	1.16	1. 4.71—85S
6½% Worldbank 69/84	96.60	6.73	9.05	1.57	2. 1.77—84D
6½% Worldbank 69/84 PP	97.00	6.70	9.28	1.16	1. 6.75—84D
6% Worldbank 69/84 PP	95.50	6.28	9.56	1.41	2. 1.77—84D
8% Worldbank 70/86	98.75	8.10	8.63	2.11	1. 4.77—84D
7½% Worldbank 71/86 I	96.75	7.75	8.98	2.53	1. 1.77—86D
7½% Worldbank 71/86 II	97.25	7.71	8.74	2.50	1. 6.77—86D
6½% Worldbank 72/82	99.50	6.53	9.40	0.17	1.12.77—88D
6¾% Worldbank 72/87	95.00	7.11	8.86	2.75	due 1. 7.82
6¾% Worldbank 73/83	98.50	6.85	8.83	0.75	1. 3.78—87D
6⅜% Worldbank 73/88	92.75	6.87	8.96	3.38	1. 2.83
8¼% Worldbank 75/82 PP	99.75	8.27	11.34	0.07	1. 5.79—88D
8% Worldbank 75/82	99.75	8.02	8.32	0.58	due 1. 6.82
8¼% Worldbank 75/83	99.35	8.30	8.81	1.17	1.12.82
8% Worldbank 76/82 PP	99.80	8.02	8.58	0.25	1. 7.83
7¾% Worldbank 76/82 PP	99.75	7.77	8.20	0.42	due 1. 8.82
7½% Worldbank 76/83	99.00	7.58	8.59	1.00	due 1.10.82
7¾% Worldbank 76/83	98.70	7.85	8.70	1.42	1. 5.83
6¾% Worldbank 76/83 PP	97.12	6.95	8.72	1.58	1.10.83
8% Worldbank 76/84	99.25	8.06	8.44	1.75	1.12.83
5½% Worldbank 77/82 PP	98.70	5.57	9.05	0.37	1. 2.84
7% Worldbank 77/85 PP	94.25	7.43	9.39	2.83	due 15. 9.82
6½% Worldbank 77/85 PP	92.00	7.07	9.71	2.89	1. 3.85
6% Worldbank 77/85	93.40	6.42	8.30	3.37	1. 5.85
7% Worldbank 77/87	94.15	7.43	8.56	4.67	15. 9.85
6½% Worldbank 77/87	91.75	7.08	8.60	5.00	1. 1.87
5¾% Worldbank 78/84	94.25	6.10	8.65	2.25	1. 5.87
6% Worldbank 78/88	87.75	6.84	8.61	6.25	1. 8.84
6¼% Worldbank 78/88	88.40	7.07	8.62	6.58	1. 6.88
5¾% Worldbank 78/90	85.00	6.76	9.00	6.30	1.12.88
7% Worldbank 79/85 PP	95.25	7.55	8.72	3.25	1. 2.87—90D
7⅛% Worldbank 79/87 PP	92.50	7.70	8.96	5.25	1. 8.85
7¾% Worldbank 79/91	94.50	8.20	8.64	9.17	1. 8.87
10% Worldbank 80/86	106.00	9.43	8.18	4.00	1. 7.91
8½% Worldbank 80/88 PP	98.37	8.64	8.85	6.08	1. 5.86
9% Worldbank 80/88 PP	100.00	9.00	9.00	6.00	1. 6.88
7⅞% Worldbank 80/90	95.65	8.23	8.66	7.67	1. 5.88
7⅞% Worldbank 80/90 II PP	91.00	8.65	9.57	7.67	1. 1.90
10% Worldbank 80/90	107.75	9.28	8.82	8.00	1. 1.90
6% Worldbank 80/90	86.50	8.29	8.60	8.25	1. 5.90
7¾% Worldbank 80/88 PP	93.75	8.27	9.09	6.25	1. 8.90
9¼% Worldbank 81/91	102.75	9.00	8.77	8.67	1. 8.88
10% Worldbank 81/91	105.80	9.47	9.06	9.00	1. 1.91
10½% Worldbank 81/91	107.25	9.79	9.28	9.25	1. 5.91
11% Worldbank 81/91	106.00	10.38	9.96	9.33	1. 8.91
10% Worldbank 81/91 II	105.65	9.47	9.08	9.58	1. 9.91
6¾% Yokohama 68/83 (G)	99.50	6.78	7.27	1.33	1.12.91
7% Yokohama 69/84 (G)	99.50	7.04	7.36	2.41	1. 9.72—83S
8% Yokohama 71/86 (G)	100.00	8.00	7.98	4.25	30. 9.73—84S
8% Yugosl. Inv. Bk. 77/84 PP	91.00	8.79	12.16	2.62	1. 8.77—86S / 15.12.79—84S

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & yields as at 30th April, 1982

SOCIETE GENERAL De BANQUE

BANQUE GENERALE Du LUXEMBOURG

Funds 30/4/82	Price	First Issue Price	Yield %	Date Div.	1/5/79 High	30/4/82 Low	1/5/79 High	30/4/82 Low
Rentinvest	LuxFr997	LuxFr1000	8.89	20/11/81 (84)	LuxFr1057	LuxFr800	LuxFr1057	LuxFr727
Capital Rentinvest 1/5/81	LuxFr2187	LuxFr1000 30/4/82	Capitalisation		LuxFr2322	LuxFr1596	LuxFr2322	LuxFr1321

CONVERTIBLES — U.S. (CONTINUED)

[illegible]

APPOINTMENTS

British Gas set up audit committee

BRITISH GAS has established an audit committee, consisting of three of the part-time members of the corporation. The committee will be responsible for examining the corporation's efficiency in its operations and reviewing the scope and planning of value for money and efficiency studies. The non-executive board members on the committee will monitor the findings of the controller of efficiency studies and his team. Members of the committee for its initial three years are Mr D. G. Badham (chairman), Mr R. H. Boissier and Mr A. F. Macleod Matthews. Mr Peter Walsh has been appointed to the new post of controller of efficiency studies, on a temporary basis (but for at least 12 months) from June 1. At present he is controller of audit and investigations at British Gas headquarters. Mr Walsh and his team will carry out value for money audits.

★

Mr George Ruff, deputy managing director of P&O EUROPEAN TRANSPORT SERVICES, takes on divisional board responsibility for P&O Group companies Ferrymasters, Pandoro and Northern Ireland Trailers Scotland. In addition, he will be responsible for the total P&O European Transport Services finance function.

★

Mr W. L. McClure has been appointed marketing manager of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY. Mr R. T. Elliot becomes manager—special funds.

★

Mr David Cole, chairman and chief executive of Thomson Information Services has been elected president of the NEWSPAPER SOCIETY in succession to Mr John Barrons, managing director of Westminster Press. Mr Robert Stiby, chairman and managing director of Jesse Ward Investments (parent company of the Croydon Advertiser) has been elected senior vice-president and Mr T. D. Morris, chairman of the Birmingham Post and Mail, junior vice-president.

★

Mr Charles Beauchamp, managing director postal services and member for finance on the Post Office board who was 60 earlier this year, will become a part-time board member from August 1. Mr Bill Cockburn will move from his present post of board member for the London postal region and assume responsibilities for counters and finance including budgets and performance. His title will be board member for financial control and counters. Below board level, Mr Alan Brown has been appointed director of the London postal region.

★

Mr Robert Simpson has been appointed to the board of HALFEN.

★

REDMAN HEENAN INTERNATIONAL has appointed Mr Mike Gallagher as managing director of Redman Fisher Engineering. He was director of international operations at Serck Audco Valves International.

★

Mr Cyril B. Smith has been appointed partnership housing director and has joined the board of LOVELL CONSTRUCTION SERVICES. He was a director of Laing Industrial Engineering and Construction.

★

Mr Tony Jensen has been appointed managing director of PTS TOOL SPECIALISTS.

★

Mr Hitoshi Tanaka has been appointed managing director of YAMAICHI INTERNATIONAL (EUROPE), UK subsidiary of Yamaichi Securities — Tokyo. Formally Mr Tanaka was head of Yamaichi Securities foreign capital department and he replaces Mr Toshio Yamaoka, who returns to Japan as general manager of Yamaichi's institutional investment advisory department.

★

Mr Alan Hooper has been appointed commercial director of JOHN WILLIAMS FOUNDRIES, a member of the John Williams Group.

★

Mr John Smith, sales and marketing director of PERSTORP WARERITE, has been appointed assistant managing director.

★

Appointed director of the ADVISORY, CONCILIATION AND ARBITRATION SERVICE (ACAS) in Wales is Mr J. Derek Evans, who was principal industrial relations officer at ACAS head office in London.

★

AMI (EUROPE) has appointed Mr Gene E. Burleson, group vice president, as managing director and chief executive officer. This follows the appointment of Dr Stanley Balfour-Lynn, chairman of AMI (Europe) to the medical advisory council of the parent company in the U.S. Mr Richard V. Gorski, assistant vice president, has been appointed director of finance, AMI (Europe).

★

Mr Len Hallett has been appointed director of LEE BEESLEY HUMPHREYS & GLASGOW SERVICES responsible for the southern division and will operate from Hammersmith. He comes from Crown House Engineering (Pty), where he was managing director. Mr Michael Abbott, who has been employed for the past three years by Humphreys & Glasgow Services as general manager has also been made a member of the board and will be responsible for the northern division, based at Newcastle.

★

Mr Leslie E. Marshall has retired from the partnership of DUNKLEY MARSHALL, stockbrokers. He remains a consultant. Subject to Stock Exchange permission, Mr Christopher A. Orme is joining the partnership.

★

STROUD RILEY DRUMMOND has appointed Mr Ernest E. Taylor as group financial director.

★

Mr Lars S. Bergenhem has been appointed chairman and chief executive of SAPA HOLDINGS. SAPA is part of Granges in the Electrolux group.

★

At PARKER HANNIFIN Mr Manfred Kunz has been appointed vice-president operations for connectors group with special emphasis on the tube fitting activities of Parker and Ermeto, and remains as general manager of Ermeto. Mr Pierre Tselpidis is appointed vice-president connectors group sales and marketing. Replacing him as general manager of Parker tube fittings division is Mr Alain Peillex, formerly quick coupling division general manager. Mr Charly Saulnier becomes general manager of the quick coupling division.

★

Mr Anton Kiener, managing director of UB Restaurants, has been appointed to the board of UNITED BISCUITS (UK).

★

Mr Thomas G. King has joined BURMAH OIL EXPLORATION LTD. to head the company's new UK operating group which has been formed to manage exploration interests in the North Sea. He will be based at the company's headquarters in Swindon. He was formerly general manager of Cabinda Gulf Oil in Angola.

★

Mr Richard Mears has been appointed to the board of ANTHONY LUMSDEN AND CO., Lloyd's brokers, to take charge of the Middle East Department.

OVERSEAS CONTRACTS

£5m steelwork order from New Zealand

CLEVELAND BRIDGE AND ENGINEERING (CB&E), a Trafalgar House company, in concert with two New Zealand fabricators (Price Norsteel and Hawkins Steel), has been awarded a £5m contract for the supply of steelwork to the New Zealand steel development at Glenbrook near Auckland. The consortium arrangement will make the maximum use of the fabrication facilities in New Zealand with CB&E providing the steel drawing office services and heavy fabrication from its new Darlington works. Project manager, Davy McKee, has arranged a project line of credit backed by ECGD for the UK content.

★

AVTOPROMIMPORT has placed a contract worth almost £1.2m with the Redman Heenan International subsidiary, FROUDE ENGINEERING, for the supply of engine test equipment for installation in a car production factory and for use in a research and development establishment in the Soviet Union. Eleven sets of dynamometers and control equipment will be delivered to Togliatti during August with two further sets of computerised control engine test equipment scheduled for delivery to Nauchno Automobilnyi Motornyi Institut (NAMI) during April 1983.

★

Among export orders won by the Gloucestershire-based Hawker Siddeley company, LISTER DIESELS, are three separate orders from Bangladesh for 3,370 engines which together with parts are worth over £2.5m. The first is for 40 of the larger air-cooled four cylinder Lister HR4 engines of 34-52 kw (45-69 bhp) to be used for deep-well irrigation pumping as part of the Barisal irrigation project in the south of the country near the Ganges delta. The second order, for 3,000 engines worth over £1.5m, comprises 2,000 single cylinder and 1,000 twin cylinder air-cooled diesels, which will be used to drive low-lift agricultural pump sets and form part of a British aid grant to the Bangladesh Agricultural Development Corporation (BADC). The third order is for 330 of the more powerful HR two and three cylinder industrial diesels of 13-35 kw (18-47 bhp) which the BADC will install on deep-well irrigation pumps.

★

TAYLOR INSTRUMENT, part of the Sybron Corporation, has been awarded a contract worth $1.4m (£780,000) for analogue control equipment and associated control room panels for phase 1 of a refinery complex being constructed in Saudi Arabia. The contracts were placed by SETE SA.

★

PETER BROTHERHOOD has an order worth over £1m for seven 500 kw marine turbo generators, placed by Burmeister/Wain who will install them in 64,000 ton bulk carriers currently under construction in Denmark.

★

A £300,000 contract for marshmallow manufacturing equipment has been received from Yugoslavia by SIMON-OAKES (a Simon Food Engineering company). The plant has been ordered by Milan Zeqar (Minex) of Urosevac and will produce continuously-extruded marshmallow at a rate of up to 350 kg an hour.

COMPANY NOTICES

NOTICE TO HOLDERS OF WARRANTS ISSUED WITH

TORAY INDUSTRIES, INC.

US\$50,000,000 10¼ per cent Guaranteed Bonds due 1987

On 12th April, 1982, the Board of Directors of Toray Industries, Inc. resolved to issue 35,000,000 new shares of Yen 50 by a public offering at Yen 322 per share. The subscription date for the new shares was 30th April, 1982. In accordance with the terms of the Warrants, the subscription price payable for shares issued on the exercise of Warrants has therefore been adjusted from 1st May, 1982 as follows:—

Subscription price prior to Offering Yen 452 per share
Adjusted subscription price from 1st May, 1982 Yen 449.6 per share

TORAY INDUSTRIES, INC.

TOKYU DEPARTMENT STORE CO., LTD.

NOTICE TO EDR HOLDERS

NOTICE IS HEREBY GIVEN that at the Annual Shareholders' Meeting held in Tokyo on April 28th, 1982, all proposals including the final dividend of Yen 3.00 per share were approved. These proposals included recognition of the Balance Sheet as at January 31st, 1982 and the Business Reports, Income Statements and Profit Appropriation for the year to January 31st, 1982, together with partial amendment of the Articles of Incorporation covering an increase in issued Share Capital to 400 Million shares in order to accommodate the required capacity to raise capital in the future, and an alteration to the period of closing of the shareholders' register which is now open through to July 31st, 1982. The summary of income for the year ended January 31st, 1982 is as follows:

	(MILLION YEN)	
Net Sales		248,821
Cost of Sales	193,524	
Depreciation	2,132	
Rentals	2,532	
Selling, General and Administration	43,176	
Net Interest	2,434	246,401
Other Net Income		2,330
		2,654
Income before taxes		4,984
Provision for Income Tax		2,681
NET INCOME		2,303

EDR holders are further informed that the final dividend of Yen 3.00 per share has been converted to U.S. Dollars and amounts to $12.62 gross per EDR. All presentations will be subject to deduction of Japanese withholding tax (if any) at the appropriate rates and representative payments will be $10.10 net after deduction of 20% Japanese withholding tax or $10.73 net after deduction of 15% Japanese withholding tax depending upon the residential status of the beneficial owner and the application of any Double Tax Treaty concluded with Japan. Affidavits will be required in all cases where a withholding tax of less than 20% is to be used. Accordingly EDR holders may present Coupon No. 5 forthwith at The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD, or at Chase Manhattan Bank Luxembourg S.A., 47 Boulevard Royal, Luxembourg or at Morgan Guaranty Trust Company of New York, Avenue des Arts 35, 1040 Brussels, or at Kredietbank S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg.

THE CHASE MANHATTAN BANK, N.A., London, as Depositary.

May, 1982.

PAN-HOLDING

Societe Anonyme
Registered Office Luxembourg
R.C. Luxembourg: B. 7023

NOTICE OF ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

The Annual and Extraordinary General Meetings of Shareholders of Pan-Holding, Societe Anonyme, will be held at its registered office at 10 Boulevard Royal, Luxembourg, from 3 p.m. onwards, on June 1st, 1982, for the purpose of considering and voting upon the following matters:

ANNUAL GENERAL MEETING

1. Acceptance of the Directors' and Commissaire's reports and approval of the financial statements for the year ended December 31st, 1981.
2. Ratification of the net asset, declaration of a dividend for 1981 and of its date of payment.
3. Discharge of the Directors and the Commissaire with respect of the year 1981.
4. Statutory nominations.
5. Determination of the Directors' compensation for the fiscal year 1981.
6. Determination of the Commissaire's compensation for the fiscal year 1981.

EXTRAORDINARY GENERAL MEETING

Amendments of Articles of Incorporation as follows:
— Amendment of Article 4 to extend the duration of the Company;
— Amendment of Articles 7, 9, 12, 13, 15, 20, 24 and 26.

The text of the proposed amendments and of the Board's report are available for inspection at the registered office of the Company and with the following banks.

Belgium—
Banque Degroof, 44, Rue De l'Industrie, Bruxelles.
France—
Credit Lyonnais, Agence Internationale, 19, Boulevard Des Italiens, Paris.
Great Britain—
Midland Bank Limited, International Division, 60, Gracechurch Street, London.
The Netherlands—
Bank Morgan Labouchere N.V., 12, Tesselschadestraat, Amsterdam.
Switzerland—
Societe De Banque Suisse, Paradeplatz 6, Zurich.
The United States of America—
The Chase Manhattan Bank N.A., Coupon Paying Department, 14th Floor, 1, New York Plaza, New York, N.Y. 10004.

The Bearer Shares may be deposited either at the registered office of the Company in Luxembourg, or with any banking or financial institution agreed by the Company. Depositary certificates must be received by the Company at Boite Postale No. 408, L 2014 Luxembourg, prior to May 27th, 1982.

No depositary certificate is required with respect to Registered Shares.

To be considered and passed validly, the resolutions tabled at the Extraordinary General Meeting require a quorum of one-half of the capital and a majority of two-thirds of the votes of the shares present or represented.

THE BOARD OF DIRECTORS

BANK LEUMI LE-ISRAEL B.M.
LEUMI INTERNATIONAL INVESTMENTS N.V.

NOTICE TO THE HOLDERS of those of the U.S. $20,000,000 7% guaranteed convertible bonds of 1987 Leumi International Investments N.V. presently outstanding.

The attention of holders of the above convertible bonds is drawn to the fact that such bonds are convertible into ordinary shares of IS.0.1 each of Bank Leumi Le-Israel B.M. during the period from and including 1st November in each calendar year up to and including 30th June in the next calendar year (up to and including 30th June, 1987) but at no other time except as referred to in condition 4 printed on the reverse of such bonds.

The conversion rate at present applicable is 12,679.4258 ordinary shares of IS.0.1 each of the bank for every U.S. $1,000 nominal amount of convertible bonds converted. Subject to the approval of the members of the bank at the Extraordinary General Meeting to be held on 16th May, 1982 of the 100% Capitalisation Issue announced on 22nd April, 1982 this will be adjusted on 18th May, 1982 to 25,358.8516 ordinary shares of IS.0.1 each of the bank for every U.S. $1,000 nominal amount of convertible bonds converted. No further notice will be published if the Capitalisation Issue proceeds. If the Capitalisation Issue does not proceed a further notice will be published on or before 28th May, 1982 in accordance with condition 15 of the convertible bonds confirming that the present conversion rate remains applicable.

The attention of holders of such bonds is drawn to the said condition and in particular to paragraphs (A) (1), (A) (4), (A) (5) and (C) (7) thereof.

Holders of convertible bonds who wish to exercise their conversion rights should apply to any of the conversion agents named below for a necessary conversion notice.

Conversion Agents
Bank Leumi (U.K.) PLC,
4/7 Woodstock Street,
London W1A 2AF.
Bank Leumi Le Israel (Switzerland),
34 Claridenstrasse,
CH-8044 Zurich.
Bank Leumi Le Israel (France) S.A.,
30 Boulevard des Italiens,
Paris 75009.

BANK LEUMI LE-ISRAEL B.M.
LEUMI INTERNATIONAL INVESTMENTS N.V.

NOTICE TO THE HOLDERS of those of the U.S. $10,000,000 7½% guaranteed convertible bonds 1984 of Leumi International Investments N.V. presently outstanding.

The attention of holders of the above convertible bonds is drawn to the fact that such bonds are convertible into ordinary shares of IS.0.1 each of Bank Leumi Le-Israel B.M. during the period from and including 1st November in each calendar year up to and including 30th June in the next calendar year (up to and including 30th June, 1984) but at no other time except as referred to in condition 4 printed on the reverse of such bonds.

The conversion rate at present applicable is 16,837.667 ordinary shares of IS.0.1 each of the bank for every U.S. $1,000 nominal amount of convertible bonds converted. Subject to the approval of the members of the bank at the Extraordinary General Meeting to be held on 16th May, 1982 of the 100% Capitalisation Issue announced on 22nd April, 1982 this will be adjusted on 18th May, 1982 to 33,675.334 ordinary shares of IS.0.1 each of the bank for every U.S. $1,000 nominal amount of convertible bonds converted. No further notice will be published if the Capitalisation Issue proceeds. If the Capitalisation Issue does not proceed a further notice will be published on or before 28th May, 1982 in accordance with condition 15 of the convertible bonds confirming that the present conversion rate remains applicable.

The attention of holders of such bonds is drawn to the said condition and in particular to paragraphs (A) (1), (A) (4), (A) (5) and (C) (6) thereof.

Holders of convertible bonds who wish to exercise their conversion rights should apply to any of the conversion agents named below for a necessary conversion notice.

Conversion Agents
Bank Leumi (U.K.) PLC,
4/7 Woodstock Street,
London W1A 2AF.
Bank Leumi Le Israel (Switzerland),
34 Claridenstrasse,
CH-8044 Zurich.
Bank Leumi Le Israel (France) S.A.,
30 Boulevard des Italiens,
Paris 75009.

BAYER AKTIENGESELLSCHAFT

The Annual General Meeting of Bayer Aktiengesellschaft will be held on 23rd June, 1982 in Cologne. Payment of a 14% Dividend for the year 1981 will be proposed.

Copies of the Company's Annual Report for 1981 in German will be available from:
Hambros Bank Limited.
Hill Samuel & Co. Ltd.,
Kleinwort, Benson Limited.
S. G. Warburg & Co. Ltd.

The report in English is in the course of preparation.

United Kingdom Shareholders who wish to attend and vote at the Annual General Meeting should by 15th June, 1982, inform S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London EC2P 2DL, who will make the necessary arrangements on their behalf.

BAYER AKTIENGESELLSCHAFT
12th May, 1982.

THE ENGLISH ELECTRIC COMPANY LIMITED

5½% DEBENTURE STOCK 1977/82

The Register of Stockholders of the above mentioned stock will be closed from the 19th May 1982 to the 16th June 1982 inclusive.

By Order of the Board.
R. F. SCOTT.
Secretary.

COMPANY NOTICE

THE ROYAL BANK OF SCOTLAND PLC

U.S. $30,000,000 FLOATING RATE CAPITAL NOTES 1983

For Interest Period May 12, 1982 to November 12, 1982, the Notes will carry a rate of interest of 14 and 11/16ths% per annum. Interest for the period will amount to U.S. $74.4305 per Note, which will be payable on November 12, 1982 against presentation of Coupon No. 13.

The payment date and dollar amount stated above may be amended without notice in the event of an extension or shortening of the interest period.

KREDIETBANK S.A. LUXEMBOURGEOISE
Principal Paying Agent.

Copies of the Annual Report and Accounts of The Royal Bank of Scotland plc can be obtained from their Office at 62 Lombard Street, London EC3P 3DE up to 14 May 1982 and at 24 Lombard Street thereafter.

M. L. HOLDINGS LIMITED

8¼% DEBENTURE STOCK 1988/93

NOTICE IS HEREBY GIVEN that the Transfer Books and Registers of Members will be CLOSED on 3rd June, 1982 only.

By Order of the Board.
A. P. SMITH.
Secretary.

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CONTRACTS AND TENDERS

INVITATION TO PRE-QUALIFY FOR THE MAINTENANCE OF THE SAUDI ARABIAN TELEVISION NETWORK (SECAM STANDARD) for a period of three years

Section AA The Ministry of Information of the Kingdom of Saudi Arabia invites the specialised companies having experience in the maintenance of large professional colour television networks. The confident companies are required to submit prequalification applications with other supporting authenticated documents as follows:—

A-1 Documents pertaining to the financial status of the company.

A-2 Previous experience in maintaining colour television networks. State very clearly when and where the previous colour television networks have been maintained and state size of these contracts.

A-3 Submit good performance certificates if achieved.

Section BB The current size of the Saudi Arabian Television Network

B-1 (6) Six Main Television Stations existing in the major cities of Saudi Arabia. Each TV station has production and transmission facilities and equipped with professional broadcast standard television video and audio equipment.

B-2 (9) Nine Mobile Television Transmitting Centres. Each centre has two transmitters and other general television programme transmitting equipment.

B-3 (5) Five Television Transmitting Centres. Each centre has two TV transmitters. These centres receive video and audio through co-axial cables.

B-4 (27) Twenty-seven Television Transmitting Centres. Each centre has two TV transmitters and receives video and audio through Saudi Arabian Intra Kingdom microwave network.

B-5 (12) Twelve Translators (Transposers) located in twelve different locations.

B-6 (4) Four television small studios existing in four different locations.

B-7 (3) Three Microwave Networks in three different locations, being used to carry the television programmes.

Section CC The Work and Services required to be carried out as follows:—

C-1 Maintenance of all existing electronic equipment, power generators, air-conditioning systems, towers, antennas and other related equipment in each television station and at every site as stated above in Section BB.

C-2 Maintenance and cleaning of the buildings, premises and gardens of each television station and at every site as stated in Section BB.

C-3 Regular supply of all spare parts requirements for the above-mentioned TV network either from the local market or from outside the Kingdom.

Section DD General Conditions regarding receiving of the prequalification applications.

D-1 Monday, 7th June, 1982 is the last date for receiving the prequalification applications including requested documents.

D-2 Applications can be delivered in person or despatched by a registered airmail addressed to:—
H.E. Assistant Deputy Minister for Administrative Affairs,
Ministry of Information,
Riyadh — Kingdom of Saudi Arabia.

D-3 If additional information is needed kindly contact at Telex No. 201030 SAUD TV SJ.

D-4 All prequalification applications will be honoured if submitted within the specified time limit. Qualified companies will be contacted later to submit their tenders for the maintenance of the Saudi Arabian Television Network for a period of THREE YEARS according to the terms, conditions and specifications of the Ministry of Information.

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Neddy: fighting apathy and resistance

The tripartite talking shop for government and both sides of industry is still struggling to make its influence felt. John Elliott reports

THE MAIN failing of the National Economic Development Council's industrial committees has been their general inability to communicate directly with a lot of the individual companies about ideas for improving competitiveness.

The 50 Neddy committees (dubbed EDCs and SWPs) covering major sectors, drew up plans for their industries, suggesting detailed work on matters such as import substitution, expanding exports, improving quality and production techniques, and increasing productivity.

While some improvements have been achieved, and while many management and some union members of the committees believe the work to be worthwhile (as discussed yesterday, page 22), many companies seem never to have heard of the 20-year-old Neddy exercise.

A large number seem to know little if anything about the operations of their relevant committees, especially in fragmented industries with a lot of smaller companies. Those that are aware of Neddy are often loth to consider or adopt its ideas.

Trade union leaders in particular resent this because an extension of the participative style of the Neddy committees on to the shopfloor would be a major step forward in their campaign to extend industrial democracy. The TUC has successfully persuaded the CBI this year to accept a passage in the current Neddy steering brief for the committees saying that management-employee consultative bodies should be set up by companies which do not already have them to discuss their committees' ideas.

Inadequacies

In order to carry the Neddy message into individual companies "ambassadors" have been appointed by several committees. They are usually management consultants and their role is supposed to be to address joint management-employee groups, ranging from shopfloor workers to managing directors.

Many top managers, not surprisingly, refuse to set up such a gathering. They either fear that management inadequacies—say on developing export markets or installing new technology — will be exposed in front of employees; or they are worried that such a meeting might set a precedent for future management-employee participation.

In short, as one Neddy expert puts it: "Our attempt to persuade managements to change has become muddled up with issues of employee consultation and trade union power."

The ambassadors have only so far managed to visit receptive companies about once a year which is probably totally inadequate to encourage change because they cannot check up, say, on whether a company has appointed an export director.

"These ambassadors are a tremendous concept but we expected them to lead to more involvement of workers in a real dialogue—and that hasn't happened," says Harold Gibson, general president of the National Union of Hosiery and Knitwear Workers, which is a strong Neddy supporter.

"It's not just enough to have one meeting with the managing director alone or with the shop floor," says Alec Smith, general secretary of the National Union of Tailors and Garment Workers, whose research officer has accompanied the textiles committee ambassador on more than 50 visits to companies, including some 20 formal meetings. "On paper this looks as if we are doing fine, but things aren't necessarily being improved. I'm disenchanted with the progress."

The knitwear committee's ambassador is John Massey. Now 53, he was formerly managing director of a Derby knitwear company and chief executive of Tootal Fashion in Northampton. Now a consultant, he has taken over work started by the industry's training board and is hired by Neddy for 100 days a year, 80 of which he aims to spend in companies.

Operating in an industry with 95,000 employees, he has made 116 preliminary visits since he started 15 months ago to companies with a total of 40,000 employees. These have led to 15 formal meetings involving 18 companies employing 6,000, a half of whose managements agreed to set up joint meetings with employees.

Of those visits, at least four companies never want to hear from him again. Several others will only become involved in the committee's exporting and other activities and are unlikely to want joint meetings with employees. He hopes to visit about 30 new companies every year.

To begin with, Massey had a problem (as often happens in new consultative exercises) about what to discuss. Exports rapidly filled that gap.

His aim is to explain the committee's work, to try to involve a company in the committee's activities, and to discover whether the Neddy is qualified to help the company tackle its problems.

"My basic message is they must change or die and they must do it themselves. If the managers are any good they'll have open minds and agree to meetings," says Massey.

The welcomes he does receive come from large companies as well as small. He held a tripartite meeting for example in a Courtaulds factory recently.

Peter Knighton, a director of Cumnock Knitwear in Scotland, says his company benefited "because we feel better informed to go ahead with expanding export business we had been thinking about." But Cumnock will not set up a joint meeting with employees, even though it has works councils already. "We don't think a joint meeting would help — relationships hardly ever prosper if someone comes in from outside," he says.

He reckons that about a quarter of the 112 companies which have not shunned him have been induced to export for the first time and that another quarter have been helped to increase their exports. Several companies have also been encouraged to consider installing computer control systems while others are joining a scheme set up by the Neddy committee to help knitting companies assess their activities and competitiveness.

John French, a 53 year old former technical director of Schweppes, and now a consultant, was hired early last year by Neddy as the ambassador for its food and drink packaging machinery committee.

Tactful

Often accompanied by an enthusiastic trade union official, Don Gossop, divisional organiser of the Amalgamated Union of Engineering Workers in Lincoln, he hopes to have visited about a dozen of the industry's 150 companies by the end of this year.

French will only go if companies agree to joint meetings including employees. He has been turned down by several, including Metal Box which believes that it can gain enough information from one of its directors who sits on the committee.

"Our aim is to try to get people in companies to understand what's happening in the competitive world," says French. He reports on his committee's overseas visits to study production techniques in countries like Japan. "Too often middle managers and shop floor people do not realise what is happening outside."

But, as a Neddy expert puts it, "however competent and tactful you may be, you can't just turn up once and tell a managing director to mend his stodgy old ways and then expect him to let you loose on his managers and employees."

But what the ambassadors have achieved does begin to show how Neddy can work as a state-funded consultant, encouraging companies of all sizes to adapt and improve competitiveness. Up to now, however, it has hardly done more than scratch the surface of Britain's century of industrial decline.

It clearly could have a much more influential role if companies were more willing to take notice of its expert advice — its research activities on industrial and economic subjects, which have not been examined in these two articles, are widely recognised as authoritative.

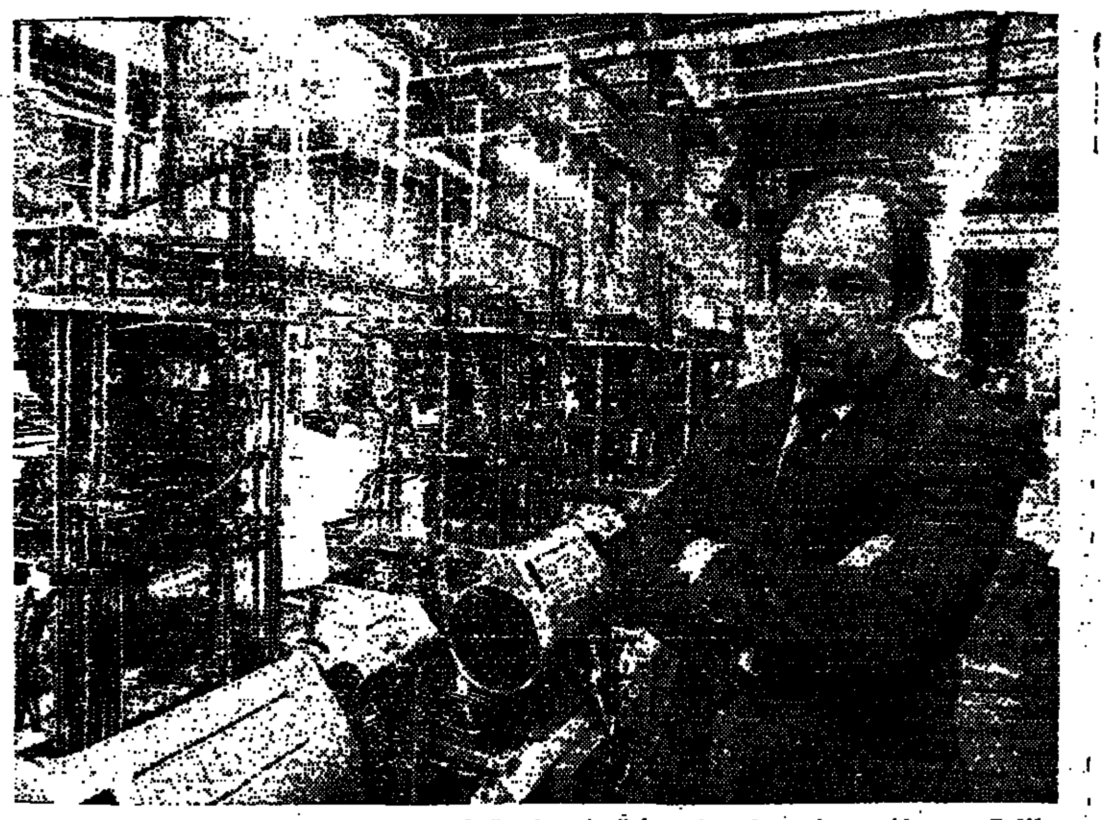
It has certainly moved on in some industries from its first 10 to 1[illegible] years when it simply handed down learned tomes and expected people instantly to react to the latest communication from its lofty Millbank Tower headquarters. But it has not measured up to the challenge set it by the last Labour Government's industrial strategy of influencing companies on a wide-ranging basis.

Perhaps in practice its tripartite basis, which should be an asset, is an encumbrance because it means the TUC is constantly pressing for more union influence in companies, so setting up lines of resistance among top managers to Neddy overtures.

But there is no question of that tripartite nature being changed.

So Neddy needs to find a way of sorting out the "muddle" caused by its twin aims of firstly trying to persuade managements to become more competitive and internationally conscious, and secondly trying (more provocatively), to harness shopfloor involvement in management affairs.

Both aims are necessary. But they need not always be done together. Neddy may therefore need to re-examine the ambassador programme to see whether it should be reorganised so as to remove any risk of wrongly-based management resistance.



John Massey, the NEDC's knitwear committee's "ambassador" (seen here inspecting machinery at E. W. Thomson of Kendal) visits companies to discover whether Neddy is able to help them tackle their problems

BOARDROOM BALLADS

WHOSE VALUE ADDED?

I pushed my trolley down the aisle,
Between the supermarket shelves,
And contemplated for a while
How eager shoppers help themselves—
As if in some hypnotic dream—
To frozen peas and clotted cream.

★

And, piling Pelion on Ossa,
Baskets bulging to the skies
With tangerines from Saragossa,
Deodorants and plastic pies,
They moved in ecstasy until
They reached the check-out and the bill.

★

Puzzled eyes, in consternation,
Watched the cash computers tick,
And struggled with the old equation
Of middle-man arithmetic—
How penny apples on the tree
Cost 30p for you and me.

★

Observers of the business scene
Have clever answers to the riddle;
But to the customer they mean
The law of the extended middle—
By which the price to them expands
The more the intervening hands.

★

The problem is they'd love to buy
The product free of all the padding—
The wrapping, brand-name and the guys
Who do the so-called value-adding;
And would so willingly dispense
With most of it to save the pence.

★

So maybe history was right
In placing at the very top
Of nations' economic blight
Their great obsession with the shop;
And, for every product sale,
An endless distribution tail.

★

Thus every item we produce
Sustains an office, shop or bank.
Squaring its hypotenuse
With costs and margins, rank on rank;
Turning my pennyworth of bacon
Into a pounds-worth of inflation.

★

But service-based economies,
The knowing and the wise insist,
Is where the richer future lies—
So maybe I should not resist;
I, too, will take the soft solution
And buy more shares in distribution.

Bertie Ramsbottom

Next week: The management of energy

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Sale of farm

A farm was jointly owned by two parties and the one agreed to sell his share to the other. The agreement of sale stipulates that the purchaser is to provide the full purchase price by a given day, failing which interest at a determined rate would be payable to the vendor until full financial settlement has occurred. Close to two years have now elapsed since the sale was transacted and over this period the purchaser has neither provided the purchase price nor made any interest payments to the vendor. What action would you recommend the vendor resorts to in order to enforce the terms of the sale agreement? The vendor does not currently have access to the contract of sale and is uncertain about the details concerning the interest rate payable by the purchaser as stated in the sale agreement. Is it customary that such agreements provide for interest to be payabile at a rate which is, say, 3 per cent above bank base rate? The vendor (not resident in the UK) has been led to believe that the interest payable to him in terms of the sale agreement is subject to tax in the UK. Is this correct?

Provided that the contract of sale is evidenced in writing signed by or on behalf of the purchaser, the vendor can seek specific performance of the contract. Although there is a common practice to stipulate for interest at 2 per cent above a stated bank's base rate, you cannot be sure that this has been done. We cannot advise on the tax position without fuller details. It would be wise for the vendor to consult a solicitor with a view to instituting proceedings for specific performance first and then to seek advice on the tax position if the action is successful.

Personal loan

Last October I lent a friend a considerable sum of money to enable him to acquire a business. It was agreed that the loan was to be repayable over a seven year period, in fixed weekly instalments, each to include an element of capital repayment and an interest element. The plan was drawn up on a reducing-annual-balance basis, with the interest for each year being calculated on the amount outstanding at the beginning of the year (i.e. similar to a building society mortgage). The rate of interest was fixed for the period of the loan. Owing to trade recession he has been unable to keep up the payments in full, so that as at April 5, 1982 (i.e. the 22nd week of the plan), he has only paid slightly more than half what he should have done. The question is—how do I allocate the reduced amount paid—as between capital repayment and interest? Do I regard the repayment made as primarily of capital, and the balance as interest, or vice versa?

Subject, of course, to what the agreement actually said about arrears, it is likely that the payments are primarily interest. If you and your friend agree on the amount of capital still outstanding, and submit a joint statement of the facts to your respective tax inspectors, there should be no problems.

A letter of indemnity

I did not receive a share certificate my brokers say they sent to me. I have been requested by the brokers involved to give them a letter of indemnity addressed to the company concerned so that a new certificate could be issued. I am disinclined to agree with this. Am I under a legal obligation to give the indemnity? If I decline how can the brokers get a replacement certificate?

You have no legal obligation to give the indemnity. While companies generally do seek indemnity for the issue of duplicate certificates, it is not a practice sanctioned by law, and it lacks any real justification in practice. Moreover if you have never had the original certificate you can rely on Section 80 of the Companies Act 1948 and Article 8 of Table A and require that you be furnished with a certificate pursuant thereto.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE ARTS

Television

The media fight of the Falklands

by CHRIS DUNKLEY

With Conservatives on one side complaining that television coverage of the Falklands crisis is, as Tory MP John Page put it, "unacceptably even-handed . . . almost treasonable," and Labour left-wingers complaining of precisely the opposite — according to Tony Benn BBC and ITN news are acting merely as the mouthpieces of Britain's Ministry of Defence—those who run television will be tempted to say, as they have said often before, "We must have got it about right."

In terms of deductive thinking, that conclusion is of course facile, and as the basis for television's long-term planning it is appallingly dangerous. Yet on this occasion I believe that they *have* got it about right. Of one thing I am certain: given a choice between the dispassionate tones adopted by the journalists on *Newsnight*, *ITN News*, *TV Eye* and *Weekend World* (note the predominance of ITV who have so far done madkedly better than the BBC) and the shrill bellicosity of the "patriotic" journalists in our mass-circulation newspapers with their screaming headlines of "Stick It Up Your Junta!" and "Give 'Em Hell!" and, on the sinking of the Belgrano, "Gotcha!" I would choose television without a moment's hesitation.

In a society such as ours which normally allows a high degree of freedom of expression it is no doubt inevitable that the mass media will be among the politicians' favourite whipping boys. The concept of the Fourth Estate which long ago embraced television is far from empty or abstract. In the age of television the Fourth Estate may appear to politicians to be more powerful than the first three put together.

Understandably politicians resent that, and when things go wrong they tend to lash out at the means by which the failure of their own efforts have so often been made plain to the public. It has for instance become almost a knee-jerk response for the bewildered and beleaguered politician to kick the messenger in the teeth whenever another unpleasant fact about political failure in Northern Ireland has to be delivered.

It comes as no surprise now to find similar responses with regard to the Falklands at both extremes of the political spectrum with the right hankering for television to present a picture of unquestioning patriotic unanimity however false that picture might be and the left hoping to persuade us that British television is as much the creature of the British military as Argentine television is of the Junta, however false *that* picture might be.

Unless there has from the very start of this affair been a vast and uncharacteristically efficient conspiracy to pervert all sections of the British mass media (a conspiracy of the same magnitude as that which according to opinion polls is believed by considerable numbers of Americans to have been used to mock up the entire U.S. space programme in television studios, with no one ever actually going to the moon at all) then the wrong headedness of both these attitudes seems fairly clear.

While Tony Benn and Judith Hart were busy telling their rally on Sunday about the mass media being mouthpieces of the British Ministry of Defence they were missing LWT's *Weekend World* in which Cresta Norris in Buenos Aires interviewed Amadeo Frugoli, the Argentine Minister of Defence, at some length, extracting from him the litany of primary school loyalties and injured self-righteousness concerning the Argentine's claims to "the Malvinas" which during the last five weeks has become so infuriatingly familiar to all of us.

All of us except politicians, that is. Too often politicians are dangerously ignorant of what their electors see on television because the House of Commons sits straight through peak viewing hours. What politicians do see are the newspapers and at present there appears to be an unhelpful tendency to pass judgment on the supposed activities of television by assuming it to be an extension of the cheaper newspapers.

Had Benn and Hart actually spent enough time watching television to know what they were talking about they would have seen *Weekend World's* poll saying that, contrary to the Bennite belief, 55 per cent of Britons feel it would be worth losing more lives if necessary to regain the Falklands. Had they watched right through the week they would also have realised that the novel and perhaps unique characteristic of television's coverage of this crisis is not the parroting of the British government line, but just the opposite.

As Denis Tuohy pointed out in his introduction to Thames's *TV Eye*, since we are technically at war with The Argentine it is a little bizarre that we can still report from inside that country. That we *can* do so, however, was then proved by an excellent report from Julian Manyon who even managed to include (well to be fair the cameraman managed it) some chilling footage showing Argentine secret police openly copying down names from wreaths placed during a trade union demonstration and the precise wording of banners discarded at the same time.

If there were more of this sort of material coming out of The Argentine, those on the British right would presumably be less upset. At least their objections in contrast to the left's do seem to emerge from an actual viewing of programmes which have, it is true, contained quantities of material from the "enemy" side out of all proportion to anything previously seen in British history.

But the reason for that, surely, is not the sudden appearance of an unprecedentedly "disloyal" let alone "treasonable," generation of journalists, but the huge changes which have occurred in mass communications since Britain was last at war, whether you consider that to be Suez in 1956 or World War II.

Because of the effects of those changes it is, perhaps, rather easier to understand the fears of Thatcher and Page as representatives of the Government than those of socialist internationalists since it is now beginning to look in the last quarter of the 20th century, in the age of television and satellites, as though countries practising a high degree of freedom of expression are likely to experience undue difficulty in winning wars.

There were several reasons why the Americans had to withdraw from Vietnam: strategic blunders at the top, for example, and the inability or unwillingness of U.S. armed forces to adapt to long term guerilla warfare But the most important reason, I believe, was that the military lost the support of the mass of the American people thanks to the depiction of the war on television.

Now with the Falklands crisis we are beginning to see once again how differences in the way that the confrontation is conveyed to the public on the respective sides may, if matters drag on, become crucial in deciding the strength of the national will to sustain the military effort. On the face of it there seem to be ominous signs that in the modern propaganda war waged on television the deck is stacked against democracy and freedom of expression and in favour of tyranny and state censorship with its ability to manipulate the public.

That, presumably, is the fear on the right. But there is a nasty paradox involved in their response. They are asking in effect for our television to suspend freedom of expression although it is surely precisely such matters as Argentine suppression of freedom of expression that led us into this war in the first place.

> 'Unless we believe in the right of a democratic populace to know what is going on, and to control the broad strategy of its forces, there seems little point in fighting in the Falklands'

Unless we believe in the right of a democratic populace to know what is going on and to control the broad strategy of its armed forces (via elected representatives) there seems little point in fighting in the Falklands. Anyone who has been watching a lot of Falklands programmes must now have recognised that what is needed is not less even-handedness; the clash of ideas is precisely what democracy seeks to protect. What is needed is a few pictures showing the retaking of South Georgia and the cratering of the Port Stanley airstrip.

It is worse than ironic that the single brief snatch of film to have reached us at the time of writing (the film which records in shaky long-shot the bombing of the airstrip and in closeup the remains of the Harrier flown by my school fellow the late Nicholas Taylor) was shot by Argentines and supplied to American television. It has now been shown so often on British television and analysed in such minute detail that I know the sequence frame by frame.

The sooner the Government censors in the South Atlantic and at the Ministry of Defence realise that it is they, and not the broad spectrum television programmes, whose methods and effects come so close to the Argentine ones that Britain is fighting against the better.

Hugh Routledge

Lou Wakefield, Janette Legge and Liz Kean

Theatre Upstairs

Bazaar and Rummage

The resounding shuffle of women closing ranks against the chauvinist blast of a male-dominated society has become a theatrical hazard for the male-dominated critical fraternity, but at least Sue Townsend provides ample opportunity for sexually unpartisan response to her imaginative writing.

The scene is a church hall in West London where a self-help group of female agoraphobics is preparing for a jumble sale. The group is led by Gwenda, palpably unsuited to the job, who practices a ludicrously suburban line in spiritual healing with odd physical undertones ("Let me lay my hands on you" she utters, pulling Katrina's face into her groin). An initial dramatic tension comes from Gwenda's style being questioned by a chipper social worker, Fliss (Carol Leader), who is conveniently on hand as an observer.

Before the play settles into a somewhat banal and predictable confessional format among victims made "solid" by their plight as women—agoraphobia is passed off as a form of the inevitable curse—much of Carole Hayman's production is quirky and enjoyable. Gwenda (Lou Wakefield) is a comic zombie in pink tight trousers with a Barry Manilow fixation, a revelation that prompts the intrusion of an offstage choir with a bizarre hymn. Bell Bell (Liz Kean) suddenly bursts through her torpor with a ferocious burst of Scott Joplin and, when an old balalaika comes to hand among the junk, the company launches into a spirited ensemble number.

This is all to do, presumably, with the unfulfilled potential of women overburdened by domestic roles and expectations. The first act closes with a fine parody of the bazaar sequence from *Kismet*: instead of baubles, bangles and beads we have tables, trousers and toys.

The social milieu of the community is well defined: it is all a bit like Alan Ayckbourn strained through Ellen Dryden's *Harvest* with a feminist bias, and it is precisely when that bias takes over from imaginative fantasy that the evening falters. Still, there is a really superb performance form Janet Legge as the group leader, tight-lipped and absurdly domineering, and a brilliant one from Ms Wakefield as a failed cabaret entertainer, beset by unsettling giggling fits, who can no longer face her public.

MICHAEL COVENEY

Covent Garden

Bergonzi by RODNEY MILNES

"It would be appreciated if the audience could refrain from applause until the end of each group" ran the rubric in the programme for Carlo Bergonzi's concert on Monday, the second celebrity recital in the current series of Covent Garden/Midland Bank Proms. A *precauzione inutile*: a Bergonzi song without applause is as unthinkable as Parma without ham. Those climactic high notes, heralded by the raising of that expressive left arm, further coaxed by the right, clinched by a decisive step forward, and glottally cut off with a triumphant toss of the head: frenetic applause is the only possible reaction, a reaction happily granted by a young, duly enthusiastic yet not undiscriminating audience.

This is not to suggest that there is anything commonplace or obvious about Bergonzi's art. In matters of musicianship, style and taste, he makes the younger generation of tenor super-stars sound like mere conservatoire students. Taste, of course, is a movable feast. Unimpeded by a conductor and with an attentive and patient accompanist (Vincenzo Scalera), Bergonzi hones in on almost any note above the stave and hangs on to it for dear life. His childlike joy in his matchless voice—its gloriously honeyed tone unimpaired by the passing of the years—disarms any criticism, though it must be said that this approach wreaks havoc with such operatic items as Massenet's "Pourquoi me réveiller" (the line repeatedly punctured) and Handel's "Ombra mai fu" (here included in a group entitled "Six Popular Songs"). Only in Corrado's first aria from *Il corsaro* did Bergonzi show an opera composer due respect, and not surprisingly since as a Verdi tenor he remains unsurpassed.

No, it was in the songs that those afflicted with ghostly good taste might look down upon that he excelled: Tosti's "Ideale," a drawing-room ballad that in his hands took on the emotional depth of a Schubert *Lied*; such fripperies as Trindelli's "O primavera" and Crescenzo's "Rondini al nido," delivered with irresistible charm; even "Quella dolce Madonnina," a ballad in waltz time of positively shy-making sentimentality was somehow made acceptable to Anglo-Saxon sensibilities.

It was Chopin's "Tristezza," delivered for the most part in a velvet *mezza voce*, that brought the house down. So much of his art was contained in it: the impeccable sense of line woven in and through perfectly enunciated words, the graceful and musical use of portamento, the inimitable tone. A hugely enjoyable evening at a gut level: I trust this great artist can be tempted back.

Government aid for the Royal Academy

The Royal Academy's appeal for £6m has got off to a good start with the announcement by the Minister for the Arts, Mr Paul Channon, at the RA's annual dinner on Monday that the Government was prepared to set a lead by giving £250,000. This is the first time that the Government has ever contributed financial aid to the Royal Academy.

The money will be spread over a yet to be determined time span but is timely aid, just before the official launch of the public appeal next month. Other good news for the Royal Academy is the sponsorship by IBM of its annual Summer Show, starting in 1983. The sum involved remains a secret but is likely to be in the £50,000-£100,000 range. This year's Summer Show opens to the public on Saturday.

William Packer will review the Summer Show on this page on Saturday.

Leonard Burt

Stuart Fox, Stuart Milligan and Jeffrey Chiswick

Stuart Fox, Stuart Milligan and Jeffrey Chiswick in a scene from *Fear and Loathing in Las Vegas* which opened last night at the Fortune. It is a transfer from the Gate Theatre Club in Battersea where it was a great popular and critical success. *Fear and Loathing* is based on the early 1970s novel by Hunter S. Thompson which is a highly written autobiographical reminiscence of Thompson's own drug-laden trip to Vegas.

The attraction of the production is a manic performance by Jeffrey Chiswick as Dr Gonzo, the Samoan attorney. In the tiny Gate Theatre he pulverised the stage and the audience with a rampant throwing-off of inhibitions. His energy was needed, for the actual experiences of the two acid-dropping travellers were remarkably tame; in fact, most of them happened inside their own heads. But if a weekend at Las Vegas while astronomically high on drugs seems something of a disappointment, the musical backing and the period flavour should ensure the support of settled-down suburbanites anxious to play up their past.

A. T.

Croydon Warehouse

Owners

by ROSALIND CARNE

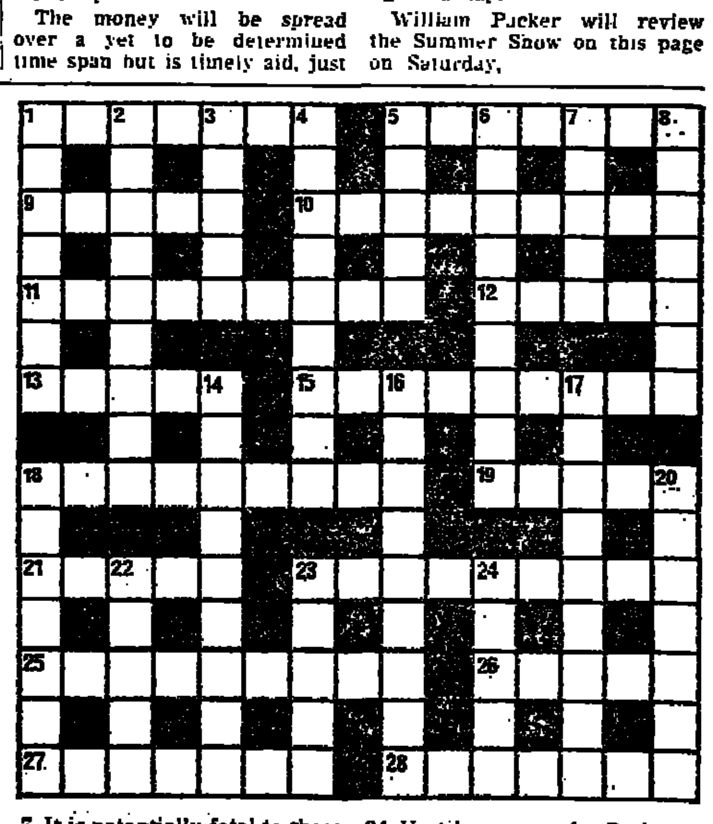
Caryl Churchill wrote this play 10 years ago, when it was performed at the Theatre Upstairs, and it stands up well to the difficult test of revival after a relatively short space of time. It deals, among other things, with the human casualty of property development, a subject no longer prominently in the news, though this makes it easier to feel the layers of implication around the central theme of ownership. Moreover, the leading lady, the steel-willed Marion, has an obvious contemporary counterpart, and it is hard not to experience a tremor of foreboding as, planning murder, she compares herself to a man, holds her head high, and announces: "I can be as terrible as anyone."

Director Julia Pascal has found the ideal actress for this demanding role. Marion is ghastly, but she must be made credible, and Diana Payan gives her enough spine-chilling charisma to make us wonder whether we, too, might be capable of swelling the ranks of sycophants who cater for her proprietary and sexual needs. As a successful career woman who makes a tidy profit through buying and selling old property, she appropriates people, body and soul, with the same capacity with which she appropriates their homes.

Ms Churchill delivers a devastating critique of sexual motivation, in which desire is subsumed by the need for possession, revenge, or control. It is a bleak, Ortonesque view, made just bearable by verbal delights, intense theatricality, and by the extravagant treatment of Marion's self-destructive minion, Worsely. I enjoyed the production, the pacing and overall mood, but the excesses of the text call for relaxed and naturalistic playing, and the male performers allow themselves an ironic edge which deflects from necessary conviction. Certainly, there is an element of caricature, but it should not be allowed to smother the nasty truth.

Dee Greenwood's set is a row of black doors which mark out the separate interiors, and underline the rapid, farcical elements in the plot. A pale carpet spans the acting space in front of which new upholstered seating rises in a steep rake.

F.T. CROSSWORD PUZZLE No. 4,869



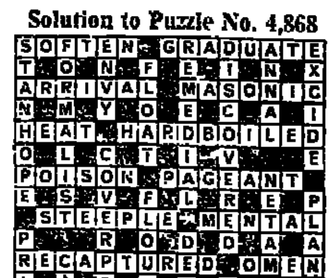
ACROSS

1 Empty bottles not relating? (4-3)
5 Sea-bird cooked, stewed in closed pot (7)
9 Five in fleet work very hard (5)
10 His could be a close call, hour being fixed (9)
11 Lower craft in under-age state (9)
12 More than one spoke for arm-bones (5)
13 Introduction to candle-light in potato store (5)
15 Working as a logger, moving clumsily (9)
18 Silver producer? About seven tons! (9)
19 Silent one in diplomacy (5)
21 Go out surrounded by gold—farewell (5)
23 But farmers don't expect it to have a cube-root (5-4)
25 Well, I do declare! (9)
26 Rhinal sodium-salt incomplete (5)
27 At length, I is one (7)
28 Photographer's former model (7)

DOWN

1 Of—force in motion, many CID to be deployed (7)
2 Benefit subsequent to court parity? (9)
3 He is chained in his office (5)
4 Way out for golfers? (4-5)
5 Low die-hard officer? (5)
6 Delectable broth near being spilt (9)
7 It is potentially fatal to those living by it (5)
8 Gad! RNLI concerned in this saving grace (7)
14 Elizabeth Bennet's bias? (9)
16 Animals in cages—mine eager to get out (9)
17 How batsmen stand for pay-awards? (9)
18 Yellow-haired bobby buckled at sea (7)
20 "Long time no see" this sort of bishop? (7)
22 Point in dispute for children (5)
23 Hard up—hide overtime (5)
24 Hastily prepare for Botham's approach (3, 2)

Solution to Puzzle No. 4,868



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Wednesday May 12 1982

Not forgetting Ulster

ONE OF the political casualties of the Falklands dispute is the Northern Ireland Bill which Mr James Prior, the Secretary of State, is trying to pilot through the House of Commons. Mr Prior introduced a White Paper on his proposals for "rolling devolution" on April 5—the day that Lord Carrington resigned as Foreign Secretary—and it was overshadowed by events. The Motion to take note of the White Paper proposals was debated on April 28 and, apart from being reasonably well attended under the circumstances, included notable contributions from the Labour benches as well as from Mr Prior. But it was again overshadowed by the Falklands.

Resignations

The Motion for Second Reading on Monday was preceded by the resignation of three Parliamentary Private Secretaries and was opposed by some 20 Tories. A rather larger number of Tories defied a three-line Whip and abstained. It now appears just possible that the Government will choose not to press on with the Bill. At the very least, the authority behind the Bill—including the authority of Mr Prior—appears to be being undermined partly because of the coincidence of the Falklands crisis and partly because of the constant Tory sniping.

That the Bill is controversial there is no doubt. The political parties in Ulster tend to oppose it, though the unanimity of their opposition is perhaps perversely a recommendation in its favour. It is also true that after the years of abortive attempts at constitutional reform in Northern Ireland it takes a very bold man to try again.

Yet the case for Mr Prior accepting his post in Stormont was this. He did not get on terribly well with the Prime Minister either personally or on grounds of economic policy. But he was too big a figure in the Tory Party to sack. Ulster offered a sensible compromise. It removed him from the mainstream economic debate, but at the same time gave the province someone of stature.

The case for a new political initiative was that the Government was about mid-term in office. It had enough time in which to try to push through reform before having to think about a general election when minds tend to turn away from Northern Ireland. The other reason for trying again was that direct rule was leading nowhere except to a containment—but not an ending—of the violence.

Yet it was obvious from the start that Mr Prior could only succeed where others had failed if he had the backing of a united Government and there was visible evidence that the Prime Minister was solidly behind him in his efforts to achieve a solution. The Secretary of State could not pull it off simply by being Mr Prior.

Support

These preconditions are not being fulfilled. Mr Prior had a hard time taking his initiative through Cabinet Committee and is being given less than full support now. Those who wish to oppose the Bill—whether Tory back-benchers or the parties in Ulster—are being given every incentive to do so. It is a peculiar spin-off from the Falklands dispute that, having been rebuffed in the South Atlantic, the Tory Party is emboldened to reassert the integration of Ulster.

Mr Prior's proposals are very modest and go no further than seeking to re-start a democratic political process. The time is ripe to try them.

The BBC under fire

THE BBC's spirited response to attacks in Parliament and elsewhere suggests that the corporation can look after itself; it has all to much experience of coming under fire in Britain's national crises. The Prime Minister and the Foreign Secretary should look for another target for their natural feelings of frustration, which we share.

The balanced coverage offered by the BBC is not only essential to preserve its reputation overseas, which is a national asset, but has been of considerable value to the Government at home. Public opinion will much more readily accept the very sensible softening of the British position because it has access to facts and arguments as well as the jingoistic bombast which masquerades as patriotism in some quarters.

Even if this were not so, the Government should proclaim the freedom of the media rather than attacking it. This is one of the values we are fighting for; and if the Argentines—who are unable to receive the BBC—had the same opportunity as we have to weigh the evidence for themselves, the crisis might now be over.

Hold-ups at the EEC crossroads

THE TEMPTATION in watching events at the European Community is always to overlook the wood for the trees. The price of butter or the precise amount of the rebates that Britain may expect on its budget contributions always seem to loom larger than the direction in which the Community is going.

Haggling

It is wise to look at the negotiations in Brussels this week in that light. The real background is the mandate accepted by the heads of state of all members to reform the Community. Viewed thus, events in Brussels so far are not a pleasing sight. It is worth examining the three main issue one by one in that context.

Farm ministers have been haggling about this year's prices for farm produce and have moved towards an increase of just below 11 per cent. That is far more than the Commission initially proposed in an endeavour to contain the tendency of the Common Agricultural Policy to produce surpluses. Moreover the Ministers want to reduce the co-responsibility levy intended to penalise over-production of milk. Granted that real farm incomes have been falling for some time, and granted also that this is difficult to justify politically, the fact remains that the proposals taking shape do nothing to implement the part of the mandate which called for a reform of the CAP.

The British blocking of the package had little to do with that flaw, but takes us to the second part of the mandate—the restructuring of the Community budget. Britain wanted a lever to reduce its net contribution to that budget. That is normal Brussels tactics. But arbitrarily reducing the contribution of one member, though it might remedy a justified grievance, does not amount to a restructuring of the budget.

There is, thus, merit in the proposal to view the refund to Britain as a tiding-over until a more radical reform is agreed. It would be wrong to look for such a reform in the direction of the concept of *juste retour*, meaning that each member draws out roughly what it puts in: there are too many potential benefits and burdens in community life for such simple arithmetic to work.

Blighted

The answer must lie in finding a better balance between the farm policy, which takes almost two-thirds of Community spending, and other policies. There are poor regions and blighted industries in Europe that have as good a claim to support as do the farmers.

Viewed thus, the debates in Brussels have done little to implement the mandate of the heads of government, which is no less than a mandate to restructure the Community and to strengthen its identity as a community. There has been one faint ray of light. EEC support for Britain in its quarrel with Argentina, even though it may be under strain, was an assertion of that identity. At a crossroads in the Community's history we need more such assertions. To dawdle could become fatal.

THOUSANDS of British companies have gone out of business in the past three years. Many were small sub-contractors dependent on larger groups for a steady flow of orders.

This is the story of what happened when one company, Lansing Bagnall, was obliged to cut its orders from outside suppliers as the recession deepened. Eighteen of its 80 sub-contractors, employing more than 1,000 men, have gone out of business in the past two years. Some have picked themselves up and started again. Others have disappeared for ever. And some, having tried to go it alone, have already admitted defeat.

The recession is not the only reason for their demise. Some were simply no longer efficient enough to compete. Others were the victims of what is sometimes called a "secular decline," a once-and-for-all reduction in demand as the engineering industry adjusts to new materials and new technology.

The companies which have survived are much smaller and leaner than they were before. But, if the experience of Lansing Bagnall and its suppliers is anything to go by, the cuts in engineering capacity over the past three years raise serious questions about the ability of British engineeering companies to meet any upturn in demand if, and when, it finally materialises.

'It was my whole life'

By Mark Webster

THE MANAGING director of the small Welsh foundry looked defiant. "Now that it's our business, there's no way a customer is going to go short of a casting, even if it means working on Christmas Day."

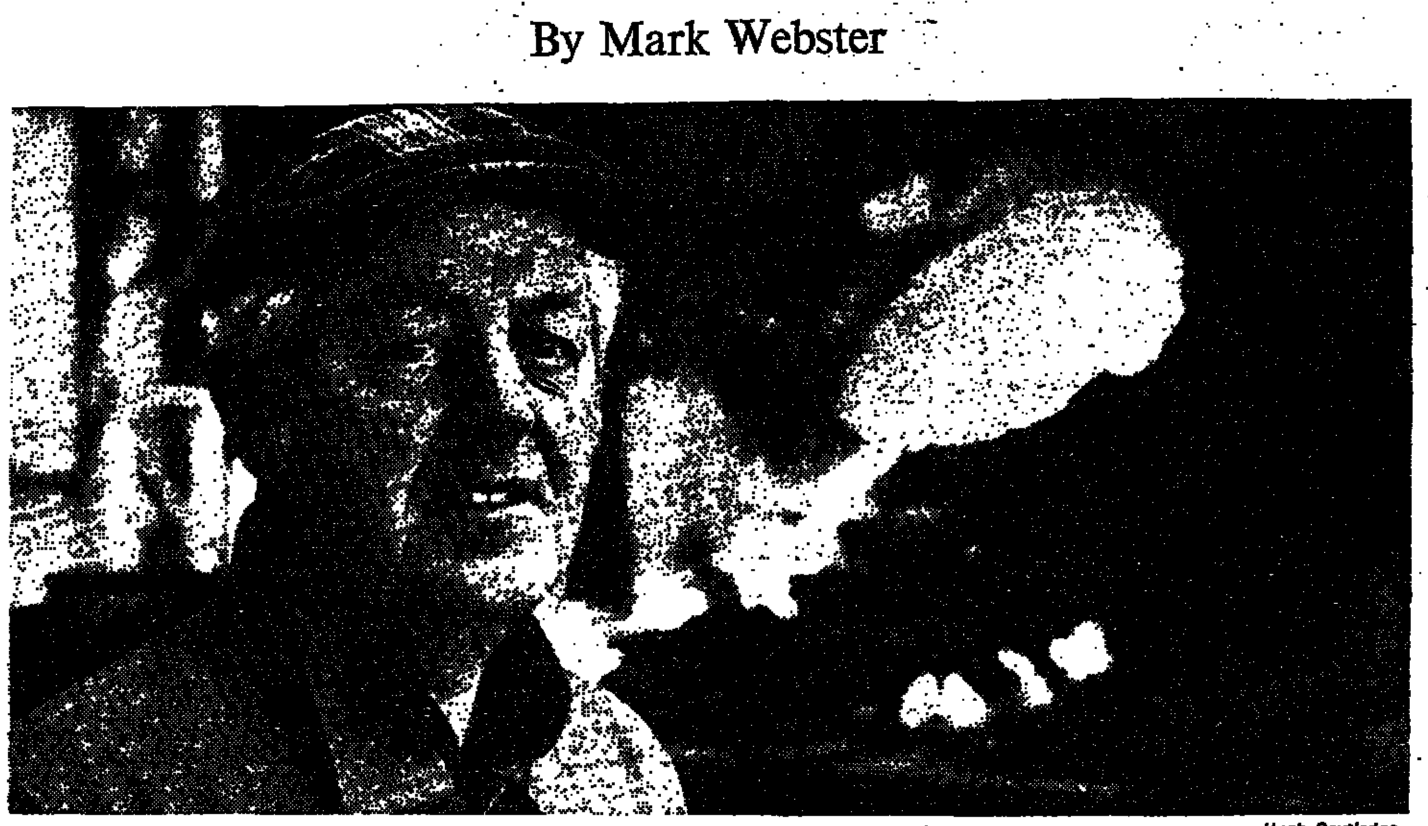
The strain of his first year in business for himself shows in the face of Mr Derek Watchorn, the 54-year-old managing director of Baglan Foundry near Neath in Wales.

Duport decided to close the foundry in April last year when the group as a whole was having problems and Baglan showed little prospect of pulling out of the red in the near future.

When ten employees pooled their redundancy money and bought Baglan's assets for £80,000—with a little help from the Welsh Development Authority and BSC Industry—they thought they had a bargain. Derek Watchorn is not so sure now.

His woolly white hair is coated with a fine layer of dirt from a morning's work on one of the foundry cranes. "We just didn't believe the recession would go on for as long as it has," he said.

His phone rings and he reassures a supplier that he will get paid soon. It rings again and it's Lansing-Bagnall which accounts for 15 per cent of the foundry's output. "How about some more work then, Don," he pleads.



Hugh Routledge

Derek Watchorn, managing director of Baglan Foundry: "We'll never see those days again"

Like a giant's playroom

"The main problem we have, apart from getting enough work, is that we bought buildings intended for 250 men and we have got 15 including ourselves," he said. In the old days the foundry produced more than 300 tons of castings a week. Now it is turning out 30 to 40 tons a week.

Derek Watchorn looks wistful as he surveys the old Baglan machine shop. The machine tools, including a mammoth 12-foot boring machine, have been sold off and the area is scattered only with old castings and bits of machinery like a giant's *playroom*.

"We'll never see those days again," he says. Baglan has benefited from the many other foundry closures and new customers have arrived during the past 12 months. But he is determined to keep the business small and managable. "No more than 20 people. Never," he said.

There was a time when Willeys, which used to own Exeter Castings, employed more than 2,000 people in the Exeter area. By the time United Gas Industries, which bought Willeys, decided to shut the foundry at the end of January 1981, there were around 100 workers. The engineering division was kept going by a skeleton staff.

David Jones and two fellow directors raised £180,000 to buy the assets with the help of the Industrial and Commercial Finance Corporation.

The foundry had been making a loss during its final months in the UGI group because there was not enough work. The order book had begun to evaporate in mid 1980. By September that year things were very bleak.

Since starting up again, the 45 staff has increased to 55 but all of them are more flexible in their work practices than under UGI. "We had to knock any custom and practice on the head before we could get started," said David Jones.

Old customers have remained faithful and some new ones have come along thanks to the closure of other foundries. The first year produced a "manageable loss" on a turnover of £750.000 and this year is expected to be the first profitable period with a budgeted turnover figure of £1.2m.

The foundry is now working at nearly 80 per cent of its capacity but with margins very tight and lead times very short for deliveries, Exeter Castings is still finding life difficult.

However, when the upturn comes Michael Brooke-Webb, one of the three directors, says "There is bound to be an acute shortage of foundry capacity and lead times could be anything up to six months."

Ernie Beddoes is a remarkably philosophical man for someone who saw the business he had built with his partner over 21 years, go bust in 1981. "You have just got to get off your backside and do better," he said.

He has proved as good as his word. After many months in which he admits he felt "pretty bitter" about the collapse of Holman and Beddoes in Tewkesbury he has found new premises in Worcester and will start a small machine shop.

He blames himself for the collapse of his engineering company which had shown more than £100,000 profit on its £1.2m turnover in 1979. A new factory was set up in Wales with substantial new investment just as the recession began to bite. "It's our fault, we were caught expanding," he said.

The Midland Bank pulled the plug on the company to recover its £250,000 overdraft and the receiver began to dispose of plant and machinery. Machines at one factory, which in better times might have fetched £370,000 went for £80,000, he said.

His partner is setting up a small business in Halesowen while his own 5,000 sq ft unit in Worcester will initially employ three people. This time, he is determined to keep his company small. "Small is beautiful," he said.

But by no means all the subcontractors are still going. Thame Bridge Foundry, once one of the most modern foundries in Europe, now stands gaunt and empty since its closure in April 1981.

GEC shut it down after the group bought W. and T. Avery and it has since been on sale for around £1m. By the time it closed it was running up heavy losses; it was operating at only one third of its 350 tonnes a week capacity.

It was built in 1954 to provide Avery with iron castings for their weighbridges but technological changes in the business forced it to look elsewhere for work. By 1980 the work wasn't there.

It is unlikely that anyone will buy the premises to use as a foundry. The loudest noise will continue to be the hum of traffic from the nearby motorway.

And then there are those who tried to go it alone—and failed. Mr Gerry Read and his two fellow directors willingly manned their own machines to stop B. and G. Read of Basingstoke from closing last year.

"It broke my heart when we had to tell the lads that was it. We'd put everything into that place, it was my whole life. But that was it. I've finished with engineering," says Mr Read.

The mental damage of the recession

At 56, he agreed the recession had taken its toll on him physically. He and his elder brother had slowly built up their engineering business over the last 25 years, putting a substantial part of their profits back into machinery.

B. and G. Read had depended on Lansing-Bagnall for more than 65 per cent of their work by the end. Turnover had peaked in *1979* at around £150,000 and from the first quarter of 1980 they were living from hand to mouth.

He said it reached the point where he and his brother would have to put their houses up as security to keep the company going and they weren't prepared to do so.

Fellow director Robin Milsom found himself out of work at 43 when the company closed: "I don't think I could take the hassle of setting up a company. The recession did a lot of physical and mental damage.

"Engineering has lost all the experience of people like ourselves and when things begin to pick up they will be paying much more for their products," he said. And he went back to decorating his house.

WHY LANSING BAGNALL HAD TO CUT BACK

THE MARKET for Lansing Bagnall's fork lift trucks collapsed with a bruising thump in the second quarter of 1980. "We had read the signs early," says the company's managing director, Mr John Allenby. "But the fall-off in orders was very sudden."

Like many other companies, Lansing's response was to scale down its operations to reduce overheads. But it was anxious to maintain productive capacity. "We wanted to make sure we had the ability to recover equally swiftly when the upturn comes," says Mr Allenby.

That meant not only preserving in-house capacity but protecting as many as possible of their sub-contractors from falling victim to the recession.

Mr Allenby believes that despite the painful contractions inside and outside the company some 90 per cent of the company's manufacturing capacity is still intact. Productivity has also improved since unions agreed to introduce a flow-line assembly system for some of the standard models. The result has been that, notwithstanding the lowest order book since 1961, the company has been able to break even during the past two difficult years and expects to be back in profit this year.

***Before the recession,* Lansing sub-contracted more than 50 per cent of all its machining work and 60 per cent of its fabrication. Now, only 10 per cent of its work goes outside the factory. The 18 companies which have closed represented more than a quarter of the work being sub-contracted. Many more of its sub-contractors have slashed their workforces by over 50 per cent.**

Now Lansing fears that when the upturn comes many of the sub-contractors on which it relied so heavily will not be there. The company would therefore have to go abroad for more of the 100,000 parts it has to stock.

"*What we have done so far* has been the easy part," says Mr Allenby. "The question is what we are going to do when the upturn comes."

He says Lansing had made *every effort to keep sub-contractors*, especially the 16 companies on its preferred list, supplied with enough work to keep going. But with short time working in the company's own factory, it was difficult to persuade unions to let any more work go outside.

Lansing also admits that it was tight on the pricing of sub-contract work as its own margins were being squeezed. "We always tried to be fair, but we had to consider our own prices," says Mr Allenby.

Men & Matters

Looking to the futures

Four months to go to the opening of London's financial futures market—and the jostling for position among prospective participants becomes more hectic.

Commodity brokers used to dealing in futures markets are convinced they will be the winners. Equally, financial institutions which dominate the money markets at present, believe they will emerge as the leading force.

Some are hedging their bets, however. Gerrard and National, which claims to be the second biggest discount house, is to announce tomorrow that it is buying a 10 per cent stake in Inter Commodities, a broking company that celebrated a decade of commodity futures trading last week. The two companies have already formed a joint venture called GNI in which Gerrard holds a 51 per cent interest.

Chief executive Brian Williamson, who serves on the Liffe formation committee, feels GNI will benefit from the backing of a big financial name, bearing in mind the size of the margins that users will have to put up. Discount houses are experienced in managing "overnight" money, he notes, but know less about clearing futures contracts.

Other financial institutions have been seeking closer links with commodity brokers, too. Lazard Brothers last year acquired an 85 per cent stake in Gardner Lohmann to strengthen its hand in financial futures. Mercantile House took over Rouse Woodstock. And last month, money brokers Exco announced a joint venture with Cargill Investor Services.

The rush of London finance houses into futures follows a similar trend in the U.S. It could bring a radical change in outlook in City banking circles which traditionally have viewed commodity markets with great suspicion.

Thrifty girl

A keen listener could hear finger nails being bitten in Geneva yesterday. The vehicle component makers were opening their biggest exhibition of the year, Sitev '82, to woo the car makers. Business is abnormally bad in the world motor industry and consequently orders are hard to find. This year componets have to be very cheap as well as very good to stand a chance of selling.

Nevertheless, the French combination of Peugeot, Citroen, and Talbot, now called collectively PSA, managed to cheer up the proceedings no end by bringing along a bright young thing called Vera.

She is a prototype of the kind of lightweight car using new materials that we may all expect to be driving in the future. The French have taken a standard Peugeot 305 saloon, a medium-sized car, and, seemingly regardless of expense, have given it the full treatment to save weight and fuel.

Although superficially Vera looks the epitome of a modern family car almost everything is different under the paintwork. She has a turbo-charged four-cylinder diesel engine which is the *smallest motor of its kind* in the world. Her body is smooth and streamlined. Most of the steel used in the conventional Peugeot has been replaced with plastics and aluminium. Even the windows are made of lightweight plastics with a hard varnish protection against scratches.

Vera is proving to be an economical young lady. In her diesel version she can motor almost 70 miles on a gallon — an improvement of at least one-third over an ordinary Peugeot.

The French engineers are spending a lot of time at Sitev explaining how they put Vera together. But like *many* another winsome young thing she does not come cheap. M. Echavidre, the man behind Vera's beautiful body, reckons that the best the motorist can hope for is that car makers will be running her sisters down their assembly lines five or 10 years from now.

Parting note

"Dollar" Bill Wyllie, the tough Australian engineer who acted as corporate surgeon to Hong Kong's Hutchison Whampoa and brought it back from the brink seven years ago, is soon to bow out of the group.

Wyllie — he won the nickname for his legendary earning power—took on an over-extended Hutchison with a loss of HK$128m in 1975, beefed it up into a conglomerate with interests spanning property, trading, container terminal operations, dockyards, and pretty well everything else that makes money in Hong Kong and saw it back into profits of HK$107m in 1976, HK$770m in 1980, and a market capitalisation up from HK$384m at the start of his tenure to HK$8.5bn at the end of it.

He won for his efforts the tag of "South-East Asia's most effective corporate doctor" from *Time* magazine, but when Li Ka-Shing, the property genius behind Cheung Kong Holdings, moved into "Hutch" in 1979, doubts were quickly voiced whether the group would be big enough for both of them. Wyllie relinquished executive responsibilities in January 1981, to build up a portfolio of interests in Hong Kong, the U.S. and Australia, while retaining a non-executive deputy chairmanship at "Hutch."

Wyllie now plans to retire as deputy chairman and step down from the board at the Hutchison annual meeting in June, owing, says chairman Li "to the pressures of his own personal business interests."

For "Hutch" it is the end of a crucial era: for Wyllie part of life's natural progress. "If I were Li Ka-Shing and held HK$2.5bn worth of shares in Hutchison Whampoa," he was quoted as saying when he stepped down from the chair, "I sure as hell would want to be chairman."

Lost horizon

The Foreign Office's ability to draw accurate maps of the smallest and most far-flung bits of the world—who now does not know precisely where Weddell Island, Fox Bay and Goose Green are?—is a good deal more impressive than its general knowledge of geography.

The report of the British observers to the Salvador elections published this week refers on page 4 to their trips around the place including visits "close to the frontiers with Nicaragua and Guatemala." As the map on page 16 of their report shows, there is no border with Nicaragua because Honduras just happens to be in between.

I hear, however, that Sir John Galsworthy and Professor Derek Bowett are in good company. Lord Carrington, during his days at the Foreign Office, became extremely concerned about reports of gun-running across the borders into El Salvador. So he fumed in the Nicaraguan Ambassador and asked him what his country proposed to do about arms movements across its border with Salvador. "What border?" was the restrained diplomatic reply which put an end to that interview.

Observer

FOREIGN AFFAIRS

Mr Reagan's nuclear START

By Ian Davidson

PRESIDENT REAGAN has taken a bold and imaginative step with his long-awaited proposals for Strategic Arms Reduction Talks (START), aimed at substantial cuts in Soviet and American ballistic nuclear missiles. It has been praised in Bonn, welcomed in Tokyo, commended by the International Institute for Strategic Studies—and sneered at in Moscow. But while the proposal may come as a relief to an anxious European public, it may be as well to recognise right away that the Reagan offer is as likely to stimulate further controversy over western nuclear doctrine as to calm it down.

In one sense, the only surprising thing about the proposal is that it took Mr Reagan so long to formulate it. He has long been committed to the idea of nuclear weapons reductions, as opposed to the rather marginal limitations exemplified in the two SALT agreements. Since he has also been committed to the greatest hostility to the unratified SALT II treaty, any proposal coming from him would have to look very different from that agreement; so, whereas the SALT agreements were framed to put limits on launchers, the Reagan proposal would make cuts in warheads.

And since Washington's primary unsolved problem is what to do about the vulnerability of America's land-based strategic missiles to the increasingly accurate Soviet ICBMs, it made sense to concentrate initially on a plan which would reduce the land-based missiles on both sides.

At one point, a couple of months ago, the Administration was considering an ultra-radical idea: the complete elimination of all land-based ICBM's on both sides. The deployment of multiple warheads on very accurate missiles means that the ICBMs in fixed silos are in theory vulnerable to the ICBMs of the other side; and the nightmare of nuclear planners has been that this mutual vulnerability might trigger a pre-emptive strike by one side or the other, or at least force the adoption of a launch-on-warning strategy.

On balance, it seems incredible that the Soviet Union would be mad enough to think that it could take out the American

> "Military efforts in both East and West had been conducted with little regard to the old question of "How much is enough?" So long as there was no definition of what was militarily necessary, there could be no definition of what arms control could limit"

Minutemen without causing massive casualties, which would inevitably bring massive retaliation from U.S. submarine missiles. Nevertheless, it is fair to say that mutually vulnerable ICBMs are an element of instability.

For the U.S., a zero-ICBM plan would have had an added bonus: land-based ICBMs form a much larger proportion of the Russian than of the American Strategic arsenal. No doubt any such agreement would have had to allow for a relative increase in Soviet submarine-launched missiles over a period of time, but it would still have involved the Russians in substantial extra expense.

In the event, Mr Reagan has plumped for a cut in both types of ballistic missiles: sea- and land-based; perhaps because he had advance indications that Moscow would not look at a proposal limited to ICBMs, perhaps because he was not prepared to take on the ICBM lobby in the U.S.

In propaganda terms, the offer is a big step forward, since it brings to an end the period in which the Soviet Union was the only superpower which purported to be interested in arms control negotiations; it can be no accident that it comes one short month before the opening of the second UN Special Session on Disarmament. It would also be a big step forward in real terms (if it could be negotiated with the Russians), since it would represent the first attempt to reverse the proliferation of warheads by the superpowers. To the extent that President Reagan seems to have moved more into line with the public mood in Western Europe (and indeed with that in the U.S. itself), he may succeed in reducing the conflict between Nato governments and the anti-nuclear protest movements.

Nevertheless, the anti-nuclear protest movements will not go away, because the basis of their critique of western nuclear doctrine has changed, or at least is changing, quite radically from that of their predecessors 25 years ago. The flood of books and pamphlets which pours steadily off the printing presses attests to the fact that moral revulsion, and horror of the destructive power of nuclear weapons, are still the emotional driving forces, just as they were in the hey-day of the Aldermaston marches. What is new is that the protestors (or some of them) have started looking much more closely at western nuclear weapons doctrines, and have attacked them on their own terms; and that they have started facing the fact that, if they want to be taken seriously, they must consider the defence implications of not relying on nuclear weapons.

This new trend is exemplified in a book, *Disarming Europe*, edited by Kaldor and Smith, which comes out tomorrow. Although moral issues are given a certain showing, the central thrust of most of the essays consists of an intellectual attack on the rationale of western nuclear strategy; much less confident are the concluding essays which discuss various ideas for non-nuclear territorial defence.

This contrast is not surprising: it is much easier to pick holes in nuclear weapons than to say what should be put in their place, when the only putative enemy is a nuclear-armed super-power. But the point is that there are genuine and undeniable difficulties with nuclear doctrine, and some of the most telling criticisms of current postures have come, not from unilateralists, pacifists and fellow-travellers, but from concerned strategic analysts. The recent article by Messrs Bundy, Kennan, McNamara and Smith in Foreign Affairs, attacking Nato's First-Use doctrine, is a case in point.

As set out in this year's *Strategic Survey*, from the International Institute for Strategic Studies, the nuclear problem has two aspects. On the one hand, arms control has been bedevilled by a conceptual crisis: "military efforts, in both East and West, had been conducted with little regard to the old question of 'How much is enough?' So long as there was no definition of what was militarily necessary, there could be no definition of what arms control could limit."

On the other hand, there is the central military problem of extended deterrence: "how to demonstrate—credibly to both foreign adversary and domestic public opinion—that even in the age of nuclear parity the identity of security interests between the U.S. and her overseas allies was sufficiently overwhelming for her to risk her own survival for their sake."

American military planners have tried to solve the problem by ever-subtler refinements to the doctrine of flexible response. For their pains, they have been accused of planning a nuclear war limited to Europe, while from the other side of the fence has come an increasingly insistent view that no amount of theoretical refinement has much chance of keeping nuclear war limited.

In the words of the IISS: "Limited nuclear conflict would be a miracle. . . . Because of the very destructiveness of nuclear weapons, and the magnitude of the decision to fire even one of them, the much maligned term Mutual Assured Destruction may be not so much one strategy among many as a basic condition and description of the nuclear age."

The conclusion drawn by the Institute (not for the first time), is that there is no technological gimmick for solving the problem of extended deterrence: that nuclear weapons cannot compensate, either militarily or politically, for a lack of conventional weapons; and that therefore European governments must defy the economic and financial constraints on defence spending to strengthen their conventional military defences. The good news is that the IISS detects signs that the Russians, too, may be getting worried at the dangers of uncontrollable escalation, and may be adapting their own doctrine so as to postpone the use of nuclear weapons as long as possible. But if so, the arguments for stronger conventional forces in western Europe are reinforced, not diminished.

Disarming Europe ed Kaldor and Smith Merlin Press £3.60.

Strategic Survey International Institute for Strategic Studies, 23 Tavistock Street £4.50.

Social Affairs

An uphill struggle for the unfashionable poor

By Ian Hargreaves

FOR REASONS not immediately obvious, the spring has brought a thick crop of books on that most unfashionable of subjects, poverty.

The British, as an EEC survey showed a few years ago, are inclined to dismiss poverty as a sign of laziness rather than as a treatable social problem. So it is no surprise that pressing questions of mass unemployment, inflation and now even gunboat diplomacy have driven poverty further into the political backwoods.

When Mr Frank Field, now Labour MP for Birkenhead was a lobbyist against child poverty in the 1970s he frequently played to packed houses. But only two journalists turned up in the Press conference last week to launch his new book.

The authors of "Europe against poverty: the European poverty programme 1975-1980" hardly fared better. They invited Mr Ivor Richard, the Common Market commissioner for matters social, to their launch in the hope that he would announce renewal of the £12m programme. Mr Richard quickly scotched that notion and during questions, created a convincing impression that he had not even read the book.

The problem was well expressed by the late Anthony Crosland in 1971 when he wrote of the redistribution of resources from rich to poor: "I do assert dogmatically that in a democracy, low or zero growth excludes the possibility. For any substantial transfer then involves not only a relative but an absolute decline in real incomes of the better-off half of the population . . . and this they will frustrate."

One irony is that these years of plenty actually produced very little redistribution. A more obvious one is that zero growth is the very condition certain to increase the numbers of the poor and to make life worse for those already below the poverty line.

In the mid-1970s, as the EEC entered its first real test of economic tribulation, there were already 30m people officially deemed to be in poverty. In 1979 Britain had over 2m people living on incomes below the minimum level provided by the supplementary benefits programme for the non-*employed*. About 8m were living on 140 per cent of this benefit level or less.

Since then, mass unemployment has occurred and there is no sign of a let up in the fragmentation of the family. This has now taken over from ageing as the most rapidly growing cause of poverty. Britain has about one million single parent families and the number is growing at a rate of 6 per cent per annum.

For anyone who starts from the moral position that a more even distribution of resources would be fair and desirable, the struggle is clearly uphill.

Professor David Donnison, who was chairman of the

> "The fragmentation of the family has taken over as the most rapidly growing cause of poverty"

Supplementary Benefits Commission from 1975 and 1980, meets the challenge with an eloquent, moral tirade against "the complacent people of middle England," who he says will ignore the warning shot of the 1981 riots at their peril. Thatcherism, he says, amounts to "a decline in public morality," although he is equally brutal in attacking the evasive "palliatives" of the Callaghan years and the intransigent vested interests represented by the TUC.

His grudging response to the dictates of zero growth is rather half-heartedly to wheel out the old argument that home-owners' mortgage tax relief could be cut or abolished to fund higher benefits. More realistically, he argues in detail for simpler delivery of welfare which means (an old cry) fewer means-tested benefits and more open government.

Frank Field, raised on the positive thinking which is basic to successful bipartisan lobbying, perversely welcomes zero growth as the opportunity for "a major revolution in British politics," by which he means a chance to stand old arguments on their heads.

In particular, Field overturns his own (and the Labour movement's) position on incentives to work—the "scrounger" argument which caused so many headlines in the 1970s.

The old position was that only one per cent of claimants are better off financially out of work than in work so the system does not discourage people from looking for a job. Now, Mr Field is ready to acknowledge that for millions of others beyond this 1 per cent, the calculation is pretty fine. In other words, the poverty trap—which cuts off means tested and increases taxes — disproportionately as the wages of the low paid rise —is getting deeper and broader.

It is not that people are shirking, but that the sense of natural justice among those who are working is offended by the narrow gap between benefits and unskilled workers' wages, something which results in loss of morale or, to an extent unknown, escape to the black economy.

Field's plan is threefold: overhaul the tax structure to eliminate high marginal tax effects for the low paid, raise non-means tested benefits like child benefit and allow real wages to rise for the low paid. This could be financed by a cut in the married man's personal tax allowances.

The obvious risk, which Field notes, is that others will use the same argument to justify declining real benefits.

But if Field is right and Crosland is wrong, "major revolution" would not be an overstatement. But as Mr Field is discovering in trying to sell the approach within his own party, it is not only the "better off half" whose heartbeat is congenitally resistant to change.

Poverty and Politics, Frank Field (Heinemann, £4.50).

The Politics of Poverty, David Donnison (Martin Robertson £3.50).

Europe Against Poverty, various authors (Bedford Square Press £10.95).

Letters to the Editor

An EEC-led pan-European action on electronics

From the Joint Deputy Managing Director, Ian Mackintosh International

Sir,—I read with interest your editorial of April 30, "Prescription for electronics" *following* the publication of the NEDO report on the electronics industry.

In studying factors in influencing the relative growths of the industry in Europe, Japan and the U.S., we have identified 17 factors which we believe have been significant. When ratings are applied to the relative importance of these factors in the different geographic regions, the poor performance of Europe becomes apparent, not so much in terms of the industry itself, but more in terms of the environment in which the industry operates.

A more detailed examination of some of these factors reveals a major divergence between the U.S. and Japan. In the U.S., much of the risk capital is provided by the venture capital market; in Japan it is provided by the major corporate banks. In the U.S., many, if not all of the really successful electronics companies are suppliers of specialist products or suppliers to a niche market whereas in Japan, with one or two notable exceptions, the successful electronics companies are vertically integrated and supply a complete range of products from components, through consumer products to office products, computers and telecommunications. Probably one of the most striking differences between the U.S. and Japan relates to personnel mobility. It is well-known that in the U.S., the mobility of skilled engineers and technologists has played a major part in the dissemination of leading edge technologies and resulted in the explosive growth of the industry around skill centres. In Japan, the situation is exactly the reverse with loyalty to the company *inhibiting* any urge to move on to pastures new.

We have much to learn from the Japanese, including, I would suggest, that a single-minded approach involving government and industry working closely together is the way to make real industrial progress in the present situation.

Indeed, I argue that pan-European actions are required involving the establishment of a jointly-sponsored micro-electronics, computer peripheral technology, and production engineering R and D centre. Such a centre would provide all European industry iwth access to the fundamental technologies which are at the heart of the micro-electronics revolution, leaving it to the initiative of individual companies to exploit these technologies to the best of their entrepreneurial abilities.

The precedent has been set by the Japanese. The £150m VLSI research programme was established as a joint industry/government venture to ensure that the industries concerned had at their command the necessary basic microelectric technologies that would enable the computer industry in Japan to compete with the U.S. The success of this programme which was completed in 1980 is available for all to see, with Japanese sources supplying more than 70 per cent of the worldwide market for 64K bit memory ICs.

Europe has the basic innovative engineering abilities and skills required, but it does not have, in my view, the single-minded motivation to succeed. An EEC led, pan-European joint government / industry action would go a long way towards redressing this balance.

Dr P. A. Walker.
Mackintosh House,
Napier Road,
Luton, Beds.

The Falklands conflict

From Mr R. Scott

Sir,—I have the greatest respect for Mr Samuel Brittan's analysis and judgment of economic matters, as indeed do many other people, but unfortunately his credibility is somewhat undermined by such offerings as "Stop the killing straight away" (May 6). This article was shrill, almost hysterical, in tone and contrasted strongly with the author's usual *soundly-based* analyses.

There have been clear indications for some time that most people in this country would prefer to avoid bloodshed in the Falklands conflict if at all possible. The analysis however, which Mr Brittan gives of the two reasons used to justify what he bluntly calls "the slaughter" is rather misleading. The first reason given — self determination — is not now accorded so much importance: the Government has indicated at various times during the last two weeks that the islanders must be allowed to express their wishes and that these will be taken into account but will not be the only influence on policy.

The second reason given—resistance to aggression—is, as Mr Brittan admits, more serious. Many people clearly believe the United Kingdom's stance on this question to be quite proper and appropriate, even if the initial response in sending the task force appeared to be based at least partly on hurt pride, or more specifically, politicians' lost pride. In a sense the expropriating of part of one country by another through armed invasion is an issue for the whole international community, as Mr Brittan says, but that does not invalidate independent action taken by the UK to help preserve international order and to protect our legitimate interests. Indeed, it is very much to be hoped that the prompt response, of which the military dimension has been only a part, will lessen the likelihood of similar conflicts elsewhere in the future. Any loss of life involved, while being abhorrent to most people, may be the necessary price to prevent even worse bloodshed in other parts of the world. That, in fact, is the additional justification which Mr Brittan feels is missing and is seen as such by many people. On the whole the British public is probably more perceptive than some journalists seem to imagine.

Richard J. Scott.
Loxley,
52A Robin Hood Road,
Brentwood, Essex

From Miss R. Sabnavis

Sir, — Congratulations in your sensible and well-balanced editorial "A question of proportion" (April 29).

Your observation in the last paragraph is in fact the message of wisdom to all nations aggrieved by aggression.

Britain might regain the Falklands through force, but undoubtedly it has lost its moral stature internationally with its tit-for-tat policy. Never in its history has Britain paid such a huge price to gain such a small objective as in the case of the Falklands dispute.

Ranjana Sabnavis,
PO Box 959,
Belize City, Belize.

Company share purchases

From Mr G. Simonds

Sir,—May I add my whole-hearted support to the sentiments expressed by Mr O'Hea of Colt International on May 5.

To enable a company to purchase its own shares is to assist entrepreneurs and therefore aid employment and the country. The very great deal of good work that has been done to legalise such purchases has been entirely negated by excessive caution in the drafting of the tax consequences. It is of doubtful benefit to make these acquisitions legal if the tax cost still prohibits it.

These provisions will suffer the same fate as the enterprising venture capital provisions *in Finance Act '81. They will* need to be amended before much use is made of them.

G. N. Simonds.
Flat 8, 18-24 Warwick Way, SW1.

Australian-built Mitsubishi cars

From Mr F. Watkins

Sir,—As one whose livelihood is somewhat bound up with the survival of the British motor industry from an equipment supplier point of view, I found the article by your motor industry correspondent on April 29 on the import of the Australian-built Mitsubishi cars to the UK particularly depressing. Although I commend the initiative of Mr Orr in effectively avoiding quota restrictions on Japanese cars into the UK by these imports, I am reminded of the subtle and sophisticated log book of regulations and methods which are effectively imposed by the Japanese authorities on car imports, which effectively limit the sale of British cars into Japan to just a trickle.

That the UK Society of Motor Manufacturers and Traders can state that it will review the fairness of the "soft" UK market for foreign cars, when and if volume of these imports has been realised, will be closing the proverbial stable door, and I find it particularly irksome to note that the duty to be levied by the UK on the Australian cars will be 10.6 per cent whereas on British cars shipped to Australia it "starts" at 57 per cent.

While the Government and CBI can allow such disparity of duty on manufactured products of such significant economic import to this country with only a whimper of discontent *then I am inclined to believe* the operative word is "soft" in all respects.

Frank E. Watkins.
11, Rotherfield Ave,
Wokingham, Berkshire.

Northern Songs 'interests' record-breaking Sears

SEARS HOLDINGS, the diversified retailing group whose outlets include Mappin and Webb and Selfridges, the London store, is looking to expand in the entertainments industry. This new coincides with the publication of the group's results, which show pre-tax profit over the £100m mark for the first time.

The expansion would be through "a big acquisition" said Mr Geoffrey Maitland Smith, the chief executive, who confirmed that Sears had been interested in the Northern Songs' business of Associated Communications Corporation, the entertainments group built up by Lord Grade and recently taken over by Mr Robert Holmes à Court.

Northern Songs, which includes all the titles of former Beatles Paul McCartney and John Lennon, was recently bid for by McCartney and Lennon's widow, Yoko Ono.

"If it were for sale and the price was right, we would still be interested," said Mr Maitland Smith.

On the wider takeover scene, Sears reaffirmed its interest in Empire Stores, which is now the *subject of a takeover bid from* Great Universal Stores. Mr Leonard Sainer, the chairman, said the situation is being watched "with great interest."

Mr Maitland Smith said later that the group would not consider putting in a bid before any Monopolies Commission decision. If the GUS bid is blocked, Sears would take "a serious position."

Sears' figures for the year to January 31, 1982, rose from £99.7m to £104m, following an advance from £34.84m to £35.98m at midway, and the final dividend is raised from 2.3p to 2.5p with a final up from 1.6p to 1.8p net.

Turnover was just £1.5bn and includes a contribution of £84.6m from Butler Footwear Corporation, the U.S. subsidiary, for 11 months from March 1, 1981.

Trading profits improved from £95.9m to £102.7m, with footwear retailers' share improving from £60.8m to £65.6m. Departmental stores, jewellery and other retailing declined from £19.9m to £17.9m and this, says Mr L. Sainer, the chairman, reflects the general downturn in consumer spending and the effect of the severe winter.

This division has the benefit of a turnround at Wallis Fashion with a profit of £1.6m compared with the previous year's loss of £2.4m.

Motor vehicle sales, service and delivery had trading profits of £6.6m against £6.4m, but the licensed betting offices declined from £8.3m to £6m.

The reduction in profit from the betting activities again resulted from the bad weather which led to fewer race meetings.

This downturn was more than offset by the increased contribution from property development and investment where profits rose from £4.6m to £6.7m. Linen *hire, industrial laundries and* knitwear distribution (U.S.) saw little change at £2.8m (£2.6m). Losses of £2.9m (£6.7m) were incurred in the engineering division. Trading profits earned overseas amounted to about £20m—almost 20 per cent of the total.

Last December, the group decided to dispose of certain engineering subsidiaries and close a number of the remaining businesses in this section. In addition, the group sold the Consolidated Laundries' division of Sears Industries Inc. The total provisions necessary, which have been treated as an extraordinary item, amounted to £20.9m.

The year-end pre-tax figure was struck after interest charges up from £5.6m to £6.2m, but included share of associates profits of £1m this time, and non-trading profits of £6.5m (£9.4m).

Tax was down from £45m to £39.2m, leaving £64.8m (£54.7m), an increase at this level of 18.5 per cent. After minorities of £1m (£900,000), extraordinary debits, as mentioned, of £20.9m (£2.9m), and preference dividends of £200,000 (same), attributable profits were down from £50.7m to £42.7m. Dividends absorb £22.4m against £20.6m.

A sum of £20.3m (£30.1m) was added to reserves. Stated earnings per 25p share were 4.8p (5.7p) including extraordinary item, and 7.1p (6p) excluding same.

Pre-tax profits on a CCA basis were £71.5m against £52.9m.

The group said later yesterday that Butler Shoe Corp made a net contribution of £1.5m before tax and is "working out pretty well" although inevitably suffering from recession in the U.S.

Sears plans to increase its U.S. outlets by around 50 a year and is currently talking to two or three small chains.

On the stores side at home, Selfridges' contributions fell from £12.8m to £10.5m, although the 1979/80 total included a £1.6m rent rebate. With tourism still depressed, Selfridges has been concentrating more on home trade and has made "a good start" to the current year.

See Lex

Usher-Walker slips to £0.34m

Taxable profits of printing inks and rollers manufacturer Usher-Walker slipped from £388,000 to £338,000 in 1981 on turnover ahead at £8.17m compared with £7.76m.

However, despite stated earnings per 10p share falling from 16.62p to 8.69p the year's net dividend is being raised to 4.29p (4.07p), with an increased final of 3p (2.78p).

At the half year stage the group was already behind with pre-tax profits of £145,000 (£173,000), on turnover of £4.01m (£3.79m). Then the directors warned that trading conditions would remain difficult.

Full year tax took £149,000 (£34,000), while current cost adjustments reduced the taxable profits to £62,200 (£57,100).

CU's underwriting losses at £63m—weather blamed

A PRE-TAX loss of £1.7m, against a profit of £18.4m, is reported by the **Commercial Union Assurance Company**, for the first quarter of this year.

Bad weather claim payments in both Britain and the U.S. this year cost £21m—£11m in the UK and £10m in the U.S. This sent underwriting losses soaring from £25.2m to £63.3m.

Investment income rose 40 per cent in sterling terms from £38.8m to £54.2m, while life profits rose from £5.2m to £7.1m. But these increases failed to cover the higher underwriting losses and a pre-tax loss resulted.

A tax refund cut the loss after tax and minority interests to £1.2m against an after-tax profit of £12.6m last year. But shareholders get the fortuitous benefit of a windfall profit of £28.2m from life business, arising from the change from a three-year to an annual valuation. But this is a one-off benefit.

Premium income worldwide rose by 22 per cent from £451.8m to £551.1m, but the underlying growth rate allowing for exchange rate fluctuations was only 9 per cent. Similarly, the underlying growth rate in *investment income was 23 per* cent. The solvency margin at the end of March was 53.4 per cent against 54.4 per cent at the end of 1981.

Premium income in the U.S. rose by 10 per cent from $357 to $394, *with strong growth in* personal business by 18 per cent and only 3 per cent growth in commercial business. Premiums in liability business showed a near 13 per cent decline. Underwriting losses doubled from £18.2m to £35.5m.

The statutory operating ratio was 115.4 per cent against 109.4 per cent for the first quarter of 1981. The claims ratio rose from 76.3 per cent to 82.6 per cent, the whole of the rise coming from the $20m paid out on bad weather claims. The underlying experience of the portfolio showed little change from last year.

The expense ratio was 33.2 per cent, against 33.1 per cent for the first quarter of last year. But it has fallen from its high point of 35 per cent in the middle of the year.

Premium income in the UK rose nearly 11 per cent in the quarter with strong growth on the domestic fire account. Underwriting losses in the quarter amounted to £14.1m against a profit of £2m last year, with losses in the domestic fire account totalling £4.3m.

Trading conditions remain very competitive in the commercial account with losses of £9.1m against a £1.4m profit last year. The CU, along with other insur*ance companies, is having to cut* premium rates for commercial fire business to retain its place in the market.

Premium income in Canada declined slightly to C$52.6m, while underwriting losses remained unchanged at C$16.4m, though in sterling terms they rose from £6.2m to £7.5m. The operating ratio fell slightly from 129.4 per cent to 128.7 per cent a decline in the claims ratio being partially offset by a rise in the expense ratio.

Mr Cecil Harris, CU's chief executive, said that this big level of losses in Canada could not continue indefinitely. The company was making a complete review of its Canadian operations.

Continued intense competition in the Netherlands limited premium growth to a marginal 0.3 per cent, the decline coming *in motor business*. The underwriting loss doubled from £1.8m to £3.5m mainly as a result of adverse fire experience. But an overall profit of £2m was achieved.

Underwriting losses in other *territories rose from £1m to £3m.*

See Lex

HIGHLIGHTS

Having briefly looked at the latest banking figures, showing lending to be buoyant particularly to the consumer. Lex goes on to consider the main company news of the day. **Argyll Foods** is taking a very big step in launching a reverse take-over for **Allied Suppliers** for £101m using its paper. **Sears Holdings**, meantime, has at long last punctured the £100m profits barrier though the breakdown shows that there is very little growth from established businesses but acquisitions seem to be doing very nicely. The first-quarter loss from **Commercial Union** comes out at £1.7m, against an £18.4m profit. Winter weather is to blame. Finally Lex looks at the figures from **Costain** which has made up much of the lost ground of last year though it is still tough going in UK contracting, and earnings from coal in Australia and America is still some way off.

Costain improves £5.4m to £48m

AN INCREASE in second half taxable profits from £27.3m to *£32.24m boosted Costain Group's* surplus for 1981 to £47.99m, compared with £42.55m. The year's turnover jumped by £164m to £616m.

Earnings per 25p share of this construction and development group are stated *higher at 48.1p* (47p) and the final dividend is being raised from 6p to 6.5p making an increased total of 11p (10p).

The directors expect continuing growth in turnover to help maintain profits in 1982.

They say the group's substantial assets, including property, land and coal reserves, should both increase in value and provide a foundation for future earnings in its property development, house building, civil engineering and specialist contracting business.

They say retained profits of £32m together with an investment property valuation surplus increased shareholders' funds to £178m. The cash position remains strong at £114m which, net of all borrowings is £25m.

During 1981 the group stepped up its investment in energy assets with the purchase—completed in January 1982—for $35m of a half share in Pyro Mining Company, a deep coal *mining operation in Kentucky*. It has also subsequently been awarded an opencast lignite mining contract in Louisiana valued at $875m in which it has an 80 per cent interest.

UK turnover rose by 26 per cent without any significant reduction in margins, the directors say. Delivery of coal from the Warkworth Mine in Australia to Japan was commenced and the greater part of the group's dredging fleet was redeployed on new contracts in the Middle East, Far East and Europe, following the completion of its work in Dubai.

The management of the group's property interests were *integrated with those of County* and District Properties. Its investment properties in the UK are now valued at £72m.

Tax took £7.76m (£3.98m) and after minorities of £6.82m (£5.9m) and extraordinary credits of £4.85m (£7.56m) the attributable profits emerged at £38.27m (£40.23m).

Current cost adjustments reduced the pre-tax profits to £40.68m (£36.69m).

See Lex

Electro-Protective success

THE RECENT *offer for sale of* 10m shares in Electro-Protective Corporation of America, an associate of the Hawley group, has attracted applications for 96m shares.

The total includes about 1,900 applications from Hawley shareholders *seeking a total of 18m* shares. Up to 3.75m shares have been reserved for these applicants.

Applications from Hawley shareholders for up to 1,600 shares have been allocated in full. Applications for more than 1,600 shares have been scaled back to about 10 per cent of the number of Hawley ordinary shares held, or 10 per cent of the number applied for, whichever is less.

Other applications will receive shares on the basis of a weighted ballot. If successful in the ballot, the applicant for between 200 and 6,000 shares will receive shares as follows: between 200 and 400 shares—200 shares; between 500 and 900—300 shares; between 1,000 and 2,500—400 shares; between 3,000 and 4,000 shares—500 shares; between 4,500 and 6,000 shares—500 shares. Those applying for between 6,500 and 10,000, if successful, will receive 600 shares. Applications for over 10,000 shares will receive approximately 6.5 per cent of the shares applied for.

Dealings in the shares are expected to begin this Friday.

Clerical Medical funds up £110m

TOTAL FUNDS of the **Clerical Medical and General Life Assurance Society** increased by over £110m in 1981 to £734m by the end of 1981.

Premium income increased by 13 per cent from £117m to £132m and investment income by a similar percentage from £56.6m to £64.2m. Claims payments declined from £56m to £48m, the drop fully accounted for by a substantial decline in surrenders of pension contracts.

The Society, in common with most other UK life companies, invested substantial sums last year in overseas equities. Of the £84m invested in long-term assets, some £19m was invested in overseas equities, mainly in the U.S. and Japan, with another £22m being invested in UK equities. A total of £31m was invested in fixed-interest securities, mostly gilts, and £5m in the index-linked gilts. Only £7m was invested directly in property, but the Society was committed to several major property developments in 1982 and 1983.

At the end of 1981, fixed interest investment amounted to £286m and ordinary shares £326m, with property holdings another £181m.

As already reported, the Society had a 32 per cent increase in new ordinary life annual premiums in 1981, offset by a drop in pensions business.

LONDON & L'POOL

In our story on April 27 on options granted in **London and Liverpool Trust** by Mr J. B. Russell it was wrongly stated that Mr Russell controlled Casterbridge, one of three companies jointly interested in the options. The parties concerned would like to make it clear that Mr Russell has no connection whatsoever with Casterbridge.

YEARLINGS 13⅛%

The interest rate for this week's issue of local authority *bonds is 13⅛ per cent, down* half of a percentage point from last week and compares with 12⅞ per cent a year ago. The bonds are issued at par and are redeemable on May 18 1983.

A full list of issues will be published in tomorrow's edition.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assd Paper ....int	1	July 8	0.6	—	2.4
Barr and Wallace	1	—	2	1	3
Borthwick ....int	Nil	—	Nil	—	0.01
Comm Bk Near East...	30	—	27.5	30	27.5
Cooper (Fred) ....int	0.5	—	0.5	—	1.5
Costain	6.5	July 1	6	11	10
First Castle Elct 2nd int	1.28§	—	1.07	2.15	1.79
Foster (John)	Nil	—	Nil	0.5	0.5
Hunting Assoc Inds ...	2.5	July 29	2.5	5	5
More O'Ferrall	2.6	July 1	2.18*	3.7	3*
NSS Newsagents ......int	1.5	July 2	1.35	—	3.75
Sears Hldgs	1.8	—	1.6	2.5	2.3
Shires Investment	8.8	—	5.5	11.8	11.5
TR Property	1.55	—	1.55	3.05	3.05
UEI	2.75	July 15	2.29*	4.3	3.58*
Usher-Walker	3	July 2	2.78	4.29	4.07
Wace Group	Nil	—	0.72	—	1.44
Whessoe ....int	2	—	1.5*	—	4*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § In lieu of final.

Utd. Biscuits sees modest profit rise

A more normal pattern in profits is expected said Sir Hector Laing, chairman of United Biscuits (Holdings), at yesterday's annual meeting.

In looking at the prospects for 1982, he pointed out that in recent years the company's normal pattern of trade has been to achieve the greater part of its profit increase in the second half. Last year, however, the pattern was reversed—an exceptional increase of 50 per cent was show in the first half. This year is likely to revert to a more normal pattern.

Current trading conditions remain very competitive, he said, and the increase in profit for the first half is likely to be modest. Nevertheless he expects the results for the full year to be satisfactory.

Fredk. Cooper returns to profits

Cold rolled steel strip and formed sections processor Frederick Cooper (Holdings) turned round from taxable losses of £255,000 to profits of £120,000 in the half year to January 31 1982, on higher turnover of £7.48m compared with £6.05m.

Earnings per 10p share stated at 1.42p (3.35p losses). The interim dividend is being maintained at 0.5p net. Last year a total of 1.5p net was paid, when pre-tax losses of £339,000 (£815,000 profits) were incurred.

Tax took £12,000 (nil).

THE TRING HALL USM INDEX
122.9 (+1.0)
Close of business 11/5/82
BASE DATE 10/11/80 100
Tel: 01-638 1591

LADBROKE INDEX
Close 582-587 (−5)

Whessoe ahead in all sections

A SUBSTANTIAL increase from £566,000 to £1.17m in the heavy engineering division, helped Whessoe to improve its pre-tax profits from £1.19m to £2.12m in the half year to March 27 1982. Turnover of this engineer rose from £42.83m to £46.46m. The interim dividend is effectively raised from 1.5p to 2p—last year's adjusted total was 4p from pre-tax profits of £4.58m.

Apart from the heavy engineering division, profits from light engineering improved from £413,000 to £480,000 and there was a steady improvement at Aiton UK and the profits increased from £213,000 to £472,000. Aiton has continued last year's success in winning new orders, say the directors.

Aiton Australia is satisfactorily handling much increased activity, but Aiton Power (Canada) has again incurred a loss and recovery is taking longer than expected.

The group's cash flow has remained strongly positive and the group gross order book value now exceeds £300m. The directors say there is no significant new development to report concerning the Qatar claim.

The improved performance overall achieved in the first half is expected to continue in the second half.

The pre-tax figure for the opening half was after depreciation up from £871,000 to £1.08m and exchange fluctuation amounting to £141,000 (£90,000) but included a net interest credit of £496,000 (£507,000 charge). There were minority credits of £335,000 (£23,000 debits) and an extraordinary credit of £145,000 this time. Stated earnings per 25p share were 7.2p (9.2p on the old capital).

● comment

Whessoe had been steaming towards an even more sparkling mid-year performance when it was obliged to make provisions against its Nigerian business after the national government imposed import controls. Even so the 78 per cent pre-tax advance reflects the major heavy engineering contracts for the nuclear power stations at Heysham and Torness and the pick up in business at Aiton. Though the power station contracts will begin to run down from the end of 1982 the impact on profits will be delayed. Meanwhile, these projects provide Whessoe with vital support when its traditional process plant market is in desparrte straits, enabling a tight control of work in progress and, thus, a very healthy net cash position to be held. This, combined with a fast growing order book at Aiton, gives good prospects for the second half, pointing to at least £5.5m pre-tax full year — the Qatar claim becoming a hopefully dimishing question mark over the future. With profit taking the shares yesterday dipped 8p to 98p for a prospective fully taxed p/e of 7.5p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bellway, Jessups, Messina, Norm. Adams Securities, Trafalgar House, United Scientific.

Finals: Bulmer and Lumb, City of Oxford Investment Trust, Coats Patons, Ellis and Goldstein, European Ferries, External Investment Trust, Feedex Agricultural Industries, John Folkes Hefo, Francis Industries, Gaskell Broadloom, Lee Cooper, Nurdin and Peacock, Jefferson Smurfit, Transatlantic and General Investments, Young Companies Investment Trust.

FUTURE DATES

Interims—

Brockhouse	May 20
Dubilier	May 19
Irish Distillers	May 19
National Bank of Australasia	May 17
Nochers Foods	June 10
Reedfearn National Glass	May 19

Finals—

British-Borneo Petroleum Synd.	May 18
British Syphon Industries	May 21
Bulgin (A. F.)	May 17
Caparo Industries	May 14
Feedback	May 19
Fortnum and Mason	May 17
London and Lennox Inv. Tst.	May 18
Monks Investment Trust	May 26
Pilkington Brothers	June 11

More O'Ferrall declines but pays bigger total

DESPITE a slightly better second half More O'Ferrall finished the year to end-December 1981 with profits behind at £3.08m pre-tax, compared with £3.69m previously. Turnover edged ahead from £13.86m to £14.36m.

Mid-year figures were lower at £1.47m (£1.83m) but the directors expected the group to at least maintain this rate in the second six months: in the event, they rose to £1.61m.

Stated earnings per share for the year declined from an adjusted 11.8p to 9.9p but the total dividend is being effectively increased by 0.7p to 3.7p per 10p share by a final of 2.6p (2.175p adjusted). A further scrip issue on a one-for-four basis is also proposed.

In 1982 the company, involved in outdoor advertising and ancillary services, is still experiencing difficult economic conditions in its markets with continuing pressure on profitability due to rising costs.

However, it has held its level of turnover well during the current year to date, which the directors believe should improve in order to maintain a satisfactory profit level.

The taxable surplus for the year under review included a share of associates profits of £868,000 (£740,000). Tax took £1.42m (£1.72m) and extraordinary debits amounted to £10,000 (£164,000 credit) leaving the attributable balance well down at £1.65m (£2.13m).

After same-again preference dividend payments of £28,000 and ordinary dividends, which absorb £634,000 (£520,000), the retained figure was £1.01m (£1.61m).

CCA pre-tax profits were £2.66m (£3.33m).

● comment

The recession has finally caught up with More O'Ferrall, knocking back pre-tax profits by nearly 19 per cent. Lead times on poster contracts have slimmed dramatically while the reduced business in the UK and abroad has put pressure on rates. Outdoor advertising is traditionally a high margin business, but the economic doldrums sliced six points off the company's trading margin in 1981, putting it at around 15 per cent. A belated switch to printed, as opposed to painted, posters in France further crimped overseas contributions, which the company says were down considerably in 1981. Still, More O'Ferrall is not hurting thanks to a strong market position and a balance sheet flush with nearly £2m in net cash. The shares eased 3p yesterday and at 131p, they stand on a multiple of more than 14. This rating seems to be resting more on the company's past profit record, rather than any expectation of a short-term improvement. The well-covered dividend gives a yield of 4 per cent.

John Foster losses cut to £0.3m on higher exports

INCREASING CONFIDENCE is expressed by the directors of John Foster, spinner and manufacturer, after returning to profits of £258,000, against losses of £140,000 in the second half.

Pre-tax losses for the year to end February 1982 were reduced from £868,000 to £291,000. Turnover moved ahead by £1.86m to £13.04m.

And although a loss is again expected for the first half of 1982-83 the directors hope that the year as a whole will show sufficient profit to justify an increased dividend.

No final dividend has again been proposed, which leaves the year's payment at 0.5p. Losses per 25p share were reduced from 10.8p to 4p.

Although trading conditions remain highly competitive and home trade difficult, the directors say there has been a further improvement in export trade which still constitutes the major part of the company's business. The company has a full order book and has entered 1982-83 with increasing confidence.

The 10-year profit record, say the directors, shows that profits were made in all years prior to 1980-81. Since the financial year-end was changed in 1974 seasonal factors have normally resulted in a loss being made in the first half of each year.

Interest charges amounted to £314,000 (£359,000). Tax took £20,000 compared with a previous credit of £80,000. Extraordinary credits shown this time came to £61,000.

On a CCA basis, pre-tax losses amounted to £861,000 (£1.11m).

● comment

John Foster's shares inched ahead 2p to 25p yesterday on the back of a second half profit and an optimistic statement for the future. But if Foster is capable of recovery to its heyday profit of £1.2m it is not going to happen overnight. And certainly not this year when £300,000 at best is the target to shoot for. Possibly it might not happen at all, for Foster's main problems are as large as ever. It is still basically a one product (mohair cloth) company too dependent on one market (Japan). The Japanese take more than a third of group output and with other overseas customers pushing up total direct exports to over 50 per cent the vulnerability to exchange rates is crystal clear. Foster has bought Laycock in an attempt to build up European exposure and it is pushing hard in the Middle East. Yet the market place is highly competitive and despite Foster's good name for mohair cloth it is trying to attack from a position of defensive weakness. The shares are at par value and though capital gearing is not overwhelming room to manoeuvre is limited and it cannot go out and buy volume. Despite its pretty modern equipment and factory space a fairly tight shareholding structure probably defends it against predators though arguably its place should be within a group with more financial muscle.

Wace well in red but recovering

LARGER than expected losses were incurred by Wace Group in the second half of 1981, leaving the full-year deficit at £806,000 against a profit of £1,000 last time.

However, the directors report that reorganisation in 1981 has placed this servicer of advertisers and printers in a much better position and a modest profit has been achieved in the first quarter of the current year.

At midway, when a turnround from a profit of £91,355 to a loss of £359,000 was reported, they said they expected a similar result for the second half.

There was a loss of 19.14p (3.62p earnings) per 20p share for the 12 months and the dividend has been omitted. Last year a total payment of 1.44p net was made.

Turnover for the period fell from £6.04m to £5.67m and the deficit was struck after charging interest paid of £147,000 (£136,000) and exceptional expenditure of £444,000 (£121,000). This consisted of redundancy payments £319,000 (£23,000), additional depreciation £67,000 (nil); cost of void space at London and Hockley Centre, Birmingham £58,000 (£42,000) and acquisition financing interest charges nil (£56,000).

On a CCA basis the full-year loss is shown at £1.07m compared with £381,000 previously.

With the results comes the announcement of the appointment of Mr R. C. Brooks as finance director. This, says the board, completes the new full-time management team.

VICKERS

The recent rights issued by Vickers has been accepted in respect of 16.8m shares, or 90.67 per cent.

Barr & W. Arnold well below forecast

A SECOND-HALF performance sharply worse than forecast took Barr & Wallace Arnold Trust to a pre-tax loss of £355,000 for 1981, after a £50,000 loss the previous year and a £60,933 deficit midway. Turnover eased from £91.92m to £90.63m.

After seven months, Mr J. M. Barr, chairman of this Leeds-based holding company with tour operation, car sales and computer bureaux activities, had predicted results similar to 1980.

The interim having been passed, a final dividend of 1p net per share is recommended (2p). The 1980 total was 3p. Earnings per 25p share were given as 1.1p, down from 24.8p.

Interest payments took less at £1.12m (£2.03m), and there was a tax credit of £418,000 (£1.54m). Extraordinary credits came to £12,000 (£13,000 debit).

The directors say the variation from the forecast is due to unexpected losses of more than £500,000 at the two Scottish motor dealerships and the Nottingham dealership. These were in profit for the first quarter of 1982, after management changes and reorganisation.

Mainly as a result of recovery in motor distribution, overall group trading is also up for the first quarter. But the directors warn that this should not be taken as an indicator for the full year, as it is impossible to forecast yet how the vital second and third-quarter trading, especially in the holiday division, will turn out.

On a CCA basis, attributable loss was £238,000

Associated Paper surges to £1.26m at six months

SHARPLY HIGHER profits are reported by Associated Paper Industries for the six months ended April 3 1982, the pre-tax figure emerging at £1.26m, compared with £11,000 previously.

The directors say the results were achieved in a period when order books were patchy with some of the group's plants operating well below capacity. They add that in spite of this all units operated at a profit.

In the light of the improved performance and the current outlook the net interim dividend is being increased from 0.6p to 1p per 25p share—a final of 1.8p was paid for 1980-81 from taxable profits of £985,000.

The taxable surplus was struck after lower interest charges of £197,000 (£332,000), mainly as a result of substantially reduced borrowings—the comparative figures were also after taking account of special consultancy fees and related redundancy payments of £249,000. Tax took £236,000 (£41,000).

Half year turnover of this paper converter and manufacturer of paper and stamping foils advanced from £16.12m to £18.1m. CCA pre-tax profits were £832,000.

● comment

Associated Paper has built on last year's second half recovery which stemmed chiefly from slimming and cost cutting. With only one paper making factory left the group has all but moved away from its former volatile paper making activity into the more stable field of paper converting and related products, where in many cases it is a UK market leader. While cost cutting has put it in a position to see off many competitors the company is hesitant to say that midway performance will be maintained in the second six months. However with borrowings under control at below £3m the brake is being taken off capital spending to permit further plant modernisation. Even so the group is operating at well below capacity and short term growth is most likely to come externally. With George Whiley, acquired in 1978, finally put on course, the group is very actively seeking another purchase. Assuming a sustained pre-tax upturn, the need for such a move is underlined by a prospective fully taxed p/e of around 9 on yesterday's share price of 76p, up 3p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	—	—	—	—	10	61	$332.50
GOLD C	$325	—	—	3	32	—	—	"
GOLD C	$350	70	0.50	8	20	20	29	"
GOLD C	$375	—	—	3	11	—	—	"
GOLD C	$400	—	—	—	—	6	12.50	"
GOLD C	$425	—	—	1	3	—	—	"
GOLD P	$300	—	—	12	6	10	10.50	"
GOLD P	$325	50	4	4	12.10	15	17.10	"
GOLD P	$350	10	19	5	25	42	32.50 A	"
12¾ NL 81 87-91								
C	F.110	—	—	10	5.60 B	—	—	F.115.60
C	F.112.50	—	—	70	3.30	20	3.40	"
C	F.115	10	0.60	195	1.50	—	—	"
C	F.117.50	—	—	101	0.60	20	1	"
P	F.115	—	—	750	1.60	—	—	"
12 NL 81 85-88								
C	F.105	—	—	100	1.70	—	—	F.106
10¾ NL 80 86-95								
C	F.100	100	3.40	50	3.60	—	—	F.103.40
C	F.102.50	150	1.40	—	—	—	—	"
C	F.105	—	—	10	1.20	—	—	"
P	F.102.50	—	—	10	1	—	—	"
11¼ NL 82 88-92								
C	F.100	—	—	10	5.40	10	5.70	F.105.30
C	F.102.50	185	2.80	133	3	25	3.40	"
C	F.105	—	—	100	1.90	175	2.10 A	"
C	F.107.50	—	—	—	—	252	0.90	"
10 NL 82 86-89								
C	F.100	—	—	—	—	110	1.70	F.100
C	F.102.50	—	—	15	0.50	—	—	"
		July		Oct.		Jan.		
ABN C	F.300	8	4	—	—	—	—	F.291
ABN P	F.280	152	2.50	72	4.70	—	—	"
AKZO C	F.25	21	5	—	—	—	—	F.29.40
AKZO C	F.27.50	52	2.20	3	3	—	—	"
AKZO C	F.30	37	1	40	1.70	—	—	"
AKZO P	F.27.50	20	0.80	—	—	—	—	"
AMRO C	F.55	—	—	10	2	—	—	F.54.20
HEIN C	F.55	5	7.20	—	—	—	—	F.61.80
HEIN C	F.60	7	3.60	10	4.90	—	—	"
HEIN P	F.60	3	1.50	10	3	—	—	"
HOOG C	F.17.50	20	0.70	40	1.10	3	1.80	F.16.50
HOOG C	F.20	—	—	50	0.50	10	0.70	"
HOOG P	F.17.50	—	—	—	—	20	2	"
KLM C	F.100	5	9.20	—	—	—	—	F.104.30
KLM C	F.110	33	4.70	—	—	—	—	"
KLM C	F.120	48	2.50	10	4.50	—	—	"
KLM P	F.80	—	—	5	1.40	—	—	"
KLM P	F.90	6	1.50	—	—	—	—	"
KLM P	F.100	31	4	—	—	—	—	"
NEDL C	F.110	—	—	6	20	—	—	F.130.50
NEDL C	F.120	69	10.80	—	—	—	—	"
NEDL C	F.130	74	3	10	4.90	—	—	"
NEDL C	F.140	10	1.10	5	2.30	—	—	"
NEDL P	F.110	45	1.10 A	—	—	—	—	"
NEDL P	F.120	54	5.20	—	—	—	—	"
NEDL P	F.130	20	11.80 B	31	12.20	—	—	"
NATN C	F.115	5	4.20	5	4.70	—	—	F.119.20
NATN C	F.120	—	—	5	2.50	—	—	"
NATN P	F.115	—	—	6	2.10	—	—	"
PHIL C	F.20	12	4.80	—	—	—	—	F.25
PHIL C	F.22.50	62	2.50	8	2.80	20	3.30	"
PHIL C	F.25	44	0.80	25	1.50	6	1.70	"
PHIL C	F.27.50	—	—	5	0.50	—	—	"
PHIL P	F.22.50	50	0.40	60	0.70	—	—	"
PHIL P	F.25	—	—	—	—	136	1.70	"
RD C	F.70	40	23 A	—	—	—	—	F.93.10
RD C	F.90	61	4	—	—	7	6.50	"
RD C	F.100	75	1	10	1.80	15	2.80	"
RD P	F.90	19	3.40	32	4.50	—	—	"
UNIL C	F.160	—	—	5	4.20	—	—	F.159

TOTAL VOLUME IN CONTRACTS: 4664

A=Asked B=Bid C=Call P=Put

Companies and Markets

MINING NEWS

Seltrust Holdings to end two-tier share structure

BY GEORGE MILLING-STANLEY

AUSTRALIA'S struggling Seltrust Holdings plans to replace its present two-tier share structure with a single class of ordinary shares, as forecast in this column last week.

The plan calls for holders of the "Z" preferential shares to forgo the special rights attaching to these in exchange for a new issue of "A" ordinary shares. The proposed terms of the exchange are a little more generous than the one-for-one exchange rate currently available.

However, the suggested ratio of five new "A" shares for every three "Z" shares is not as high as the market had hoped, and there may be some pressure on Seltrust's directors to improve their offer, perhaps to seven-for-three, at the meeting in Perth on June 21.

British Petroleum, which holds 78.8 per cent of Seltrust through its Selection Trust subsidiary, will not vote at the meeting. If shareholders accept the deal, BP's holding will fall to 75.3 per cent.

Effectively, the proposed deal will relieve Seltrust of the embarrassment of being unable to pay the preferential dividend of 17.5 cents (10p) per year due on the "Z" shares.

This dividend has had to be deferred on several occasions, and the accumulated total due on June 30 this year would be about A$6m (£3.5m). No dividend has ever been paid to "A" shareholders.

Under the proposed deal, this sum will be waived and all shareholders will rank equally for dividend payments in future.

Seltrust said yesterday that when the company was formed in 1979, it was envisaged that there would be no difficulty in paying the preferential dividend, and that as Seltrust progressed, dividends on the "A" shares would be above 17.5 cents a year, thus providing an incentive for "Z" shareholders to switch into the "A" ordinaries.

In the event, the combination of technical difficulties with the new mining operations at Agnew and Teutonic Bore and the severe world-wide recession has resulted in accumulated losses totalling A$13.8m by the end of last year.

There has recently been a significant improvement in concentrate grades at Agnew, the nickel producer in which Seltrust holds 60 per cent with the remainder in the hands of MIM Holdings. This has reduced unit operating costs, and Seltrust expects the operation to produce profits when nickel prices improve.

At Teutonic Bore, which has the same ownership structure, the recovery problems associated with the oxidised ore have now been largely overcome, and Seltrust is looking for an improvement here once prices for copper, zinc and silver move higher.

The directors said that they believed the new capital structure would help the long-term development of the company, adding that it would facilitate capital-raising in the future for the expansion of Agnew or any other of Seltrust's interests.

Other interests include 5 per cent of the big Mount Newman iron ore project, 100 per cent of the profitable offshore drillship Regional Endeavour, and several promising exploration prospects.

The "A" shares fell 2p to 50p in London yesterday after the announcement, with the "Z" shares closing unchanged at 80p.

Prieska to close in 1985

SOUTH AFRICA'S Prieska Copper Mines is to cease production towards the end of 1985, the company said yesterday.

The mine, in the north-west of Cape Province, will cut its milling rate from the present level of around 700,000 tonnes of ore a month to about 240,000 tonnes until the first quarter of 1985. After that, there will be a fairly rapid winding-down, with production finally coming to an end during the third or fourth quarter of that year.

Prieska is at present engaged in establishing operations on the 957-metre level, and has decided that it would be uneconomic to go any deeper.

The main orebody is now known to fold back on itself about 1,000 metres below the surface, and drilling has indicated extensions of mineralisation in the flatter areas of the fold.

A recent feasibility study established that about 11m tonnes of ore could be recovered over the remaining life of the mine.

Of this total, some 2m tonnes lie below the 957-metre level. In order to exploit this tonnage, it would be necessary to establish a deeper operating level at 1,085 metres, at an estimated cost of R8m (£4.7m).

Low prices for copper and zinc have eaten into Prieska's cash resources of late, and as prolong the mine's life by about a year at the current rate of extraction, the company has decided that the expenditure would not be justified.

A sustained improvement in metal prices could change Prieska's mind, however, and the company intends to preserve some flexibility in its mining plan in order to be in a position to take advantage of any upturn.

Prieska added that production will be maximised and costs reduced as far as possible during the remaining years of the mine's life, but any dividend payments will depend on the level of metal prices.

The company has had its troubles recently, with a loss for the final three months of 1981, but the most recent quarterly report from the Anglo-vaal group, of which Prieska is a member, showed a return to a net profit of R1.16m.

International round-up

Renison Goldfields Consolidated has been formally granted naturalised status by the Australian Government. The company came into being last year when Consolidated Gold Fields restructured its Australian interests into one company.

Gold Fields retains 49 per cent of the equity, with the remainder in the hands of the Australian public.

The formal change of status means that RGC will be free from having to comply with the requirements of Australia's Foreign Investment Review Board, which specify that all new mineral projects must be at least 51 per cent Australian controlled. The sole exception is uranium, where 75 per cent Australian ownership is required.

* * *

Tambang Batubara Ombilin (TBO), which operates the Ombilin coal mines in Sawahlunto, West Sumatra, estimates that raising production to 1.35m tonnes of coal by the end of the decade will cost some U.S.$244m (£134m).

The work will be carried out in two stages, the first of which began last month. This is designed to increase production from the present 250,000 tonnes to 750,000 tonnes, and is due for completion in 1986.

The second stage, to be launched thereafter, foresees the development of a new underground mine with an annual capacity of 600,000 tonnes.

* * *

Australia's Brunswick Oil NL reports that the recently announced three-for-two renounceable rights issue has been fully underwritten by stockbrokers D. J. Carmichael in Perth, Jones Grice in Sydney and McIntosh Griffin Hamson in Melbourne.

The rights issue, at a price of 20 cents a share, will raise A$4.7m to fund the company's exploration programme over the next two years.

Shareholders taking up their rights will also be entitled to an option on each new share at a cost of 1 cent.

UK COMPANY NEWS

PANORAMA KITCHEN

Panorama Kitchen Wares has been compulsorily wound up by Mr Justice Nourse in the High Court.

OUTWICH INV.

Pre-tax revenue of Outwich Investment Trust in the year ended March 31 1982 improved from £2.58m to £2.69m. Due to an agency error the 1980/81 figure was incorrect in yesterday's report.

First quarter improvement at Stag furniture

Mr P. V. Radford, chairman of Stag Furniture Holdings, told the annual meeting that sales and profits for the first quarter of the current year were slightly ahead of the same period last year.

However, he declined to forecast the outcome for the full year other than to say that the group's financial position remained strong. He pointed out that it had a healthy cash flow and that he believed it would continue to give a good account of itself.

He warned that current trading conditions were difficult but that full time working was continuing throughout the group. It was believed that Jaycee Furniture, the recent acquisition, would soon contribute to group profits.

Confidence at Hamilton Oil

Mr Frederic C. Hamilton, chairman of Hamilton Oil of Great Britain which was floated on the London Stock Exchange last July, says in his annual statement that the group's financial base is strong and, with the continuing development of North Sea and North American interests, he looks forward to the future with confidence.

The balance sheet at December 31 1981 shows shareholders' funds at £22.18m (£16.43m), oil and gas properties £10.73m (£4.55m) and net current assets £13.2m (£15.19m).

Meeting, 20 Fenchurch Street, EC, at 2.30 pm.

SHIRE STAKES

Edinburgh Investment Trust—UK Temperance and General Provident Institution now holds 12.5m ordinary (7.575 per cent).

Wolseley Hughes—Prudential Corporation Group holds 972,056 shares.

Highcroft Investment Trust—Mr T. H. Kincerlee, a director, has disposed of 120,427 ordinary shares making his total beneficial holding 54,853 shares and other holding 53,168 shares (3.97 per cent).

SPAIN

May 11	Price %	+ or −
Banco Bilbao	344	
Banco Central	338	
Banco Exterior	304	
Banco Hispano	308	
Banco Ind Cat.	114	
Banco Santander	332	+2
Banco Urquijo	275	−2
Banco Vizcaya	358	
Banco Zaragoza	245	
Dragados	150	−1
Espanola Zinc	63	
Fecsa	63.7	+0.2
Gal. Precíados	40	
Hidrola	67.2	+0.5
Iberduero	53.2	+2.8
Petroleos	90.2	
Petroliber	93	
Sogefisa	5.50	−0.5
Telefonica	70.5	−0.5
Union Elect.	67.5	+1.0

Hill Samuel £9m deal with GA

Hill Samuel Group is selling its equity holding in English Insurance Company to the General Accident Group, the other shareholder of English, in a £9m deal.

General Accident is issuing 3m of its shares for the 238,373 ordinary shares (47.7 per cent) of English at present held by Hill Samuel. General Accident at present holds the other 52.3 per cent of the equity of English Insurance.

General Accident is one of the leading composite insurance groups in the UK, though its life insurance operation is comparatively small. Its main life and pensions business is transacted by the Yorkshire-General Life Assurance Company whose funds amounted to £476m at the end of 1981.

English Insurance had funds of £227m at the end of 1981 and is predominantly in group pensions business. GA intends to run the two companies separately, but will co-ordinate the overall strategy as part of its programme to expand its life business in the UK.

Anderson Strathclyde bid response

Every indication of a vigorous defence was given yesterday by Anderson Strathclyde in another response to the unwelcome bid launched against the company on May 4 by Charter Consolidated, the mining and industrial investment group.

Sir Monty Finniston, chairman of the Scottish mining machinery manufacturer, despatched his second letter within seven days to Anderson's shareholders and amplified their board's reasoning in opposing Charter's 135p per share bid.

The letter promises that after a formal document has been received from Charter, Anderson will disclose a full profit estimate for the year to March 31 1982 and details of its financial position "which will show that it is stronger than it has ever been."

In the meantime, the board is "totally convinced" about the undesirability of the Charter bid and recommends shareholders to take no action.

Anderson closed up 2p yesterday at 143p.

UNITED PARCELS

United Parcels has purchased a private company operating a parcels carrying and road haulage business in a region of the UK in which it wishes to increase its level of activity. Consideration was £837,500, satisfied by the issue of 275,352 ordinary shares—half of which have been placed on behalf of some of the vendors to realise £418,750.

The existing management of the acquired company will continue to conduct its day to day affairs.

SHARE STAKES

Braid Group — Lookers acquired on May 10 720,000 ordinary shares from a single seller. Prior to this purchase Lookers held 250,000 ordinary shares. As a result of this acquisition Lookers holds 970,000 ordinary (16.2 per cent). Bajau and its subsidiary no longer have a notifiable interest.

Cullens Stores — Provincial Insurance Co's holding of ordinary shares has fallen below 5 per cent.

LONDON TRADED OPTIONS

May 11. Total Contracts 2,290 Calls 1,596 Puts 694

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	280	42	5	54	3	—	—	310p
BP (c)	300	26	21	38	—	46	—	"
BP (c)	330	11	12	22	—	28	7	"
BP (p)	360	54	20	—	—	—	—	"
CU (c)	120	20	12	24	—	29	—	134p
CU (c)	130	13	—	18	11	22	—	"
CU (c)	140	7	3	14	6	17	23	"
CU (c)	160	2½	1	7	10	—	—	"
Cons. Gld (c)	360	42	2	52	—	67	—	382p
Cons. Gld (p)	420	42	2	50	—	55	—	"
Cons. Gld (p)	460	80	1	82	—	—	—	"
Ctlds. (c)	70	26	12	29	3	—	—	93p
Ctlds. (c)	80	17	66	21	19	23	—	"
Ctlds. (c)	90	9	59	13½	42	17	15	"
Ctlds. (c)	100	4½	140	8	22	9	41	"
GEC (c)	800	107	2	134	—	160	—	889p
GEC (c)	850	65	15	97	—	123	—	"
GEC (c)	900	32	59	57	—	80	—	"
GEC (p)	850	13	1	20	1	30	—	"
GEC (p)	900	32	1	40	—	45	—	"
Gr'd Met. (c)	180	45	10	48	—	—	—	219p
Gr'd Met. (c)	200	24	5	30	10	36	—	"
Gr'd Met. (c)	220	10	13	17	2	20	3	"
Gr'd Met. (p)	180	2	—	5	1	—	—	"
Gr'd Met. (p)	200	4	—	8	25	12	—	"
Gr'd Met. (p)	220	12	45	17	6	22	5	"
ICI (c)	300	34	—	46	4	52	10	322p
ICI (c)	330	16	25	26	—	32	—	"
ICI (c)	360	5	13	11	—	—	—	"
ICI (p)	300	5	10	9	—	12	—	"
ICI (p)	330	18	35	22	8	26	—	"
Land Sec. (c)	330	4	—	9	3	—	—	289p
Mks & Sp. (c)	130	33	32	37	—	—	—	162p
Mks & Sp. (c)	140	23	2	27	—	31	—	"
Mks & Sp. (c)	160	9	5	12½	4	17	—	"
Shell (c)	390	40	2	52	—	60	—	412p
Shell (c)	420	18	2	28	4	38	7	"
Shell (p)	330	2	—	4	20	—	—	"
Shell (p)	360	5	—	10	40	—	—	"
Shell (p)	420	22	1	34	—	38	—	"
		May		August		November		
Barclays (c)	420	43	2	67	—	67	1	460p
Barclays (c)	460	5	23	30	5	48	—	"
Barclays (p)	460	4	2	18	—	25	—	"
Barclays (p)	500	42	—	48	—	55	2	"
Imperial (c)	60	38	26	42½	—	—	—	98p
Imperial (c)	70	28	15	32½	—	—	—	"
Imperial (c)	80	18	4	23	21	25½	—	"
Imperial (c)	90	8	78	15	17	18½	—	"
Imperial (c)	100	½	43	8½	35	11½	36	"
Imperial (p)	100	3	—	6½	37	8	—	"
Lasmo (c)	280	67	1	82	—	95	—	349p
Lasmo (c)	300	47	10	62	—	77	—	"
Lasmo (c)	330	17	23	44	2	60	—	"
Lasmo (c)	350	1	20	26	15	45	—	"
Lasmo (c)	420	¼	—	9	1	—	—	"
Lonrho (c)	70	1½	31	6½	—	9½	10	70p
Lonrho (c)	80	½	—	3	—	4½	15	"
Lonrho (p)	70	3	—	3½	156	5	10	"
Lonrho (p)	80	11	174	12	35	13	5	"
Lonrho (p)	90	21	4	22	3	—	—	"
P & O (c)	100	51	19	—	—	—	—	151p
P & O (c)	120	31	2	32	—	36	—	"
P & O (c)	130	21	10	22	—	26	—	"
P & O (c)	140	11	43	13	9	17	41	"
P & O (c)	160	1	—	5	—	10	51	"
Racal (c)	360	62	62	72	—	88	—	418p
Racal (c)	390	32	7	47	47	65	—	"
Racal (c)	420	4	27	28	17	45	—	"
Racal (c)	460	1	2	10	16	—	—	"
Racal (p)	390	1	—	13	3	20	—	"
Racal (p)	420	6	21	21	3	30	—	"
Racal (p)	460	43	—	50	4	—	—	"
RTZ (c)	380	62	5	67	—	75	—	439p
RTZ (c)	420	22	4	45	17	57	—	"
RTZ (c)	460	1½	19	25	5	33	—	"
RTZ (p)	420	1	—	13	1	27	—	"
RTZ (p)	460	25	—	34	1	45	—	"
Vaal Rfs. (c)	45	1½	1	4¼	—	6	10	$46
Vaal Rfs. (c)	55	¼	1	1	—	1¾	—	"
Vaal Rfs. (p)	45	1½	1	4	—	5	10	"

C=Call P=Put

NSS ahead to £3.1m midway

TAXABLE profits at NSS Newsagents grew by 10.8 per cent in the six months to March 28, 1982, from £2.82m to £3.13m, on sales up from £59.06m to £69.94m.

The interim dividend of this close company was raised to 1.5p net per share (1.35p). Last year's 3.75p total was paid out of pre-tax profits of £4.93m. Stated earnings per 10p share were 11.2p basic (10.7p) and 9.8p diluted (9.4p).

Tax was up to £1.13m from £900,000, leaving attributable profits of £2m, compared with £1.92m.

The directors are recommending a one-for-two scrip issue.

They say performance was in line with expectations, despite difficulties caused by cold Christmas weather and the economic situation.

Given recent indications of more buoyancy in consumer spending and the more modest tobacco duty increases in the Budget, they hope the growth rate will continue to improve in the second half.

Retail branches increased by nine to 483 in the six months. Carnaby Video, bought in October, and the new Nottingham confectionery warehouse are already contributing to profits.

Growth has come mainly from the retail division, the directors say, but they are confident of expansion in wholesale subsidiaries in the next few years.

TR Property Inv. higher

Total income for TR Property Investment Trust, formerly The Trust Union, rose to £2.93m for the year to March 31, 1982, compared with £2.66m. This was before expenses and interest payable of £576,196 (£455,271) and tax of £832,745 (£736,997).

For the second consecutive year, a final dividend of 1.55p net as forecast per share makes a total of 3.05p. Subject to unforeseen circumstances, the directors intend to recommend an interim 1.1p dividend for the year to March 31 1983—they announced in March that dividends for 1982/83 would total 2.2p without recourse to revenue reserve.

Earnings per 25p share are given as 3.49p (3.37p) and net asset value per share as 108.3p (105.5p) after deducting prior charges at redemption value.

كتاب الأصل

Companies and Markets

UK COMPANY NEWS

Borthwick just in the black midway

IN THE first six months to March 28 1982 meat trader Thomas Borthwick and Sons turned in taxable profits of £127,000, compared with losses of £1.95m previously, and second half profits in 1981 of £345,000. Turnover fell from £254m to £240m.

However, with losses per 50p share stated at 1.92p (5.78p) the interim dividend is again being missed—last year a final of 0.01p was paid.

Mr R. C. Wheeler-Bennett, chairman, says steady progress continued in the reorganisation of facilities and the reduction of costs, but difficult economic, trading and climatic conditions beset the group's operations both in Europe and in Australia and New Zealand.

The New Zealand killing season got away to a slow start he says as the result of weather conditions. The Borthwick-CWS works in the North Island only reached full production in February some 10 weeks later than usual and shortly thereafter was shut down for two weeks by a strike.

New Zealand lamb trading has been difficult, Mr Wheeler-Bennett says. The volume traded was below expectations and this had an adverse effect on the profitability. Last year a contract with Iran accounted for some 39 per cent of the group's lamb sales. This year a contract with Iran is already six months late and has still not been signed.

The meat processing industry in Australia continues to experience livestock shortages and inadequate margins. Profit recovery is likely to be slow, he says, depending on the success by the industry to rationalise production facilities. The group has achieved some notable success but continued skilled utilisation of resources and tight control of overheads is required.

Although retail business in the UK and France has been affected by the continuing difficult economic conditions, both Matthews Butchers and Boucheries Bernard are making profits fully in line with expectations.

Manufacturing operations in the UK suffered from the bad weather at Christmas and Midland Cattle Products encountered difficult trading conditions during the first half.

Mr Bennett-Wheeler says that due to these factors the group's return to profitability has been slower than originally hoped. Nevertheless the directors expect its recovery to continue.

Tax took £770,000 (£400,000) and after minority interests of £350,000 (£633,000) the attributable deficit came to £993,000 (£2.5m after extraordinary credits of £486,000).

The extraordinary credit last time has been restated to exclude exchange differences arising from translation of the net current assets of overseas subsidiaries and branches which are now taken directly to reserves in accordance with ED 27.

● comment

It is almost certain that it was only the performance of the retail division which kept Borthwick out of the red at the interim stage. In addition to its now familiar problems, the meat trading business has run into difficulties in Iran, which seems to be insisting on paying for its lamb with oil, and apparently the benefits to Borthwick of any embargo of Argentine meat are not significant. Net debt is still about two and a half times shareholders' funds, and the company concedes that its bankers have been "very long-suffering." When present borrowing arrangements expire in November, it will again be in their hands as to whether Borthwick itself is consigned to the abattoir. The company has greatly reduced risks by increasingly turning to pre-selling its meat, but the potential for high profits is similarly reduced. The sale of the 55 per cent stake in Boucheries Bernard is a possibility, but however attractive the price, that would be a heavy blow to Borthwick's cash-generating ability. After the results the share price gained 1p to 15p, against par value of 50p, and capitalising the company at £7.74m.

Hunting Associated at £6.4m

INCLUDING A £1.8m share of profits of associates, compared with £1.03m previously, Hunting Associated Industries' taxable surplus for 1981 showed an improvement from £6.05m to £6.4m.

The directors point out, however, that although the two sets of figures are broadly similar 1980's results included a £1.4m share of trading losses of the Channel Islands aviation companies meaning that in comparable terms the results now announced are down on the previous year's.

They say they warned in their interim statement that this was likely to be the outcome at which time they said there was no end in sight to the recession.

Although full year earnings per 25p share are given as being well down at 34.42p (40.41p) basic and at 25.82p (30.31p) diluted the total net dividend is held at 5p by a same-again final of 2.5p.

Turnover improved from £155.46m to £170.57m but at the trading level, profits emerged well down at £4.6m, against £6.42m.

Tax took £1.63m (£698,000), minorities £533,000 (£413,000) and after termination losses last time of Channel Islands aviation companies activities amounting to £950,000 and a loss on the sale of a subsidiary of £146,000 during the same period, the attributable profit showed an increase of £386,000 to £4.23m.

On the outlook, the directors say they cannot see all the subsidiaries doing well until the Western World comes out of the recession. They add that the future of some is obviously brighter than for others, although the aviation based companies in particular will find the going hard.

It is pointed out that with the uncertainties in the economy it is difficult to forecast the year ahead but when the upturn in the economy comes, the group is in good shape to take advantage of it.

A breakdown of turnover and trading profits (£4.6m against £6.42m) shows: aviation support £56.79m (£46.35m) and £633,000 (£2.62m); engineering £90.1m (£90.27m) and £2.82m (£3.23m); and resource surveys and photography £23.75m (£18.84m) and £1.15m (£570,000).

A geographical analysis of profit by company location shows: UK £3.1m (£5.03m). South Africa £1.07m (£618,000), North America £16,000 loss (£484,000 profit). United Arab Emirates £593,000 (£382,000), Australia £34,000 (£160,000 loss) and other £90,000 loss (£67,000 profit).

CCA adjustments reduce the pre-tax figure to £3.4m (£2.6m).

● comment

The advance in pre-tax profits from Hunting is rather deceptive. It was more than accounted for by associates, thanks to an 80 per cent profits surge from associate Hunting Petroleum. Company trading profits fell by 28 per cent reflecting industry-wide havoc in the aviation business. Hunting's aviation profits were more than quartered, even in the absence of £1.4m losses from discontinued Channel Island aviation. The company's inability last year to sell the remaining Merchantmen bought from BA in 1979 is sympotomatic of a trend which shows no signs of being arrested. The 13 per cent drop in trading profits from engineering was almost entirely due to the non defence oriented subsidiaries, which experienced losses. The good news came from Resource Surveys, with a number of Middle Eastern contracts coming to fruition. Hunting does not see any immediate benefits from the South Atlantic crisis for its defence engineering subsidiaries. After the results the share price gained 7p to 242p, yielding 3 per cent.

Smith and Nephew expands

IN THE 12 weeks to March 27 1982 taxable profits of Smith and Nephew Associated Companies rose from £6.08m to £6.98m on higher turnover of £67.43m compared with £55.76m.

Earnings per 10p share of this manufacturer of surgical, medical and sanitary products, textiles and clothing, toiletries and plastics, are stated higher at 2.29p (2.01p) after tax of £2.3m (£2.01m) and minority interest of £5,000 (same).

The pre-tax profits included a lower share from associates of £917,000 (£1.17m) and were struck after marginally higher interest charges of £1.48m (£1.47m).

The annual meeting of Smith and Nephew will be held at Grosvenor House Hotel, Park Lane, at 11.30 am tomorrow, and not as previously notified.

● comment

Smith's year-end figures pleased the market and the shares have bounced up in the last six weeks. The company had forecast an improved first quarter, so it's no surprise that a bit of profit-taking knocked 4p off the shares to put them at 128p at the day's end. The company's collection of specialised businesses continue to perform well, led by improvements in medical and plastics activities. The depressed textile division is showing signs of recovery thanks to a wider customer base. Contributions from associates, however, slumped by more than 20 per cent in the quarter. The trouble has been higher pulp costs at British Tissue and the effects of devaluation of the peso on Smith's Mexican associate. Both these problems are expected to be eased in the second half, although the Mexican business may not be able to show any growth in the full year. The market is looking for about £34m or £35m in the year which gives the shares a prospective fully-taxed p/e of nearly 16. In light of the company's growth record, this doesn't seem overly expensive.

UEI profits higher at £4.2m

IMPROVED pre-tax profits have been shown by United Engineering Industries, investment holding company, for the year to January 31 1982. Profits moved ahead by £1m to £4.21m on higher turnover of £30.25m against £21.12m.

In the second half profits rose from £1.66m to £2.8m.

The dividend has been effectively raised from an adjusted 3.5834p to 4.3p net with a final of 2.75p. Earnings per 10p share are given as 11.4p against an adjusted 10.4p.

Group turnover and profits include a contribution of six months from Yewlands Group acquired on August 3 1981 and six weeks contribution from Micro Consultants Group, acquired on December 17 1981.

Tax took £1.04m (£347,000) and there were extraordinary credits last time of £130,000. Attributable profits emerged at £3.17m (£2.49m).

Dividends absorb £1.19m (£824,000). The final dividend in excess of 0.01p per share has been waived in respect of 22.54m shares.

The transfer to reserves rose from £1.67m to £1.98m.

On a CCA basis, pre-tax profits stood at £3.57m (£2.69m) and earnings per share were 9.1p (8.1p).

● comment

A general reluctance by UEI to give a detailed breakdown of its profit makes analysis of its latest figures difficult in the light of its two recent major acquisitions. Despite a 63 per cent increase in interest costs there was some underlying growth but all eyes are focussed on the current year when there will be full contributions from Yewlands and, more importantly, Micro Consultants. Though being involved in electronics and high technology can no longer be regarded as the recipe for certain growth UEI has benefited from its past slimming exercises and current order books are in much better shape than 12 months ago. But even demanding little from the original group pre-tax profits of £7.5m should be well in range next time round. With the shares yesterday easing 2p to 275p this puts the prospective fully taxed p/e in the stratosphere at near 39.

Electronics division aids First Castle

THE CONTINUING success of the electronics division has resulted in First Castle Electronics reporting an increase from £530,884 to a record £827,346 in pre-tax profits for the year to January 31 1982. Group turnover advanced from £2.19m to £3.69m.

Mr Leslie Connor, the chairman, says the company, for technical reasons, is paying a second interim dividend, in lieu of a final, of 1.282p net (1.069p final) for a total of 2.15p (1.792p), an increase of 20 per cent. As declared in the rights issue prospectus, this dividend is payable on the capital in issue at the year-end.

The new share issues will only rank for dividends in the current year when the directors forecast that, subject to unforeseen circumstances, total dividends of 1.75p net will be payable on the enlarged capital.

Mr Connor, commenting on the year's figures, says that, since the year-end, the electronics division has been further strengthened by the acquisition of the Ormandy and Stollery Group.

Trading conditions in the piano division deteriorated, and he says the company is now undertaking a serious reassessment and re-organisation of this division. Fuller details will be given in the annual report.

During the year, the leasing division successfully started operations and the gradual expansion of this activity should benefit the company in a number of ways, he says.

The success of the rights issue—approximately £2.5m was raised—has materially benefited the company's financial structure. He adds: "We are now poised for further growth internally and, as opportunities occur, through acquisitions in the electronics and technology fields."

Tax for the year was down from £53,109 to £37,483, leaving attributable profits of £789,863 (£477,775). Stated earnings per 10p share, calculated on a weighted average, rose from 7.06p to 9.82p. Pre-tax profits on a CCA basis were £786,400, and earnings per share at 9.32p.

H. Cory ahead in current year

In his annual report Mr S. J. Eley, the chairman of Horace Cory, chemical colour manufacturer, reveals that both sales and profits show an improvement for the first three months of 1982.

He says that the plant in the new factory extension is operating satisfactorily and that sales of the products manufactured are now making a "valuable" contribution to profits. Some reduction in distribution costs is expected to be achieved by the recent introduction of new packaging arrangements.

The chairman adds that charges for rates, gas and water are still exceeding the rate of inflation and sales both at home and abroad continue to be adversely affected by foreign competition.

As reported on April 17, pre-tax profit for 1981 declined from £311,277 to £206,169 despite an improvement in second half trading conditions. Turnover edged ahead to £2.46m (£2.38m). The group balance sheet shows shareholders' funds at £3.05m (£2.18m) and fixed assets at £1.81m (£966,500). The annual meeting is scheduled to be held on June 4, at 12 noon.

Shires Investments at £390,000

A STEADY second half brought Shires Investment to a pre-tax profit of £390,447 for the year to March 31 1982, against £434,646 a year earlier. At the six month stage the investment trust was £38,474 behind at £195,698.

A repeated final dividend of 8.8p net per 50p share left the final unchanged at 11.8p. Stated earnings per share were 10.55p, down from 11.95p.

Tax took less at £124,953 (£134,238). Net asset value per share was 151.82p (152.08p) after deducting prior charegs at par.

WORLD BANKING

In Monday's World Banking Survey, the foreign ownership of two leading Nigerian banks was inadvertently switched. First Bank of Nigeria is 40 per cent owned by Standard Chartered, while Union Bank is 20 per cent owned by Barclays.

COMMODITIES AND AGRICULTURE

Coconut oil use threat

MANILA — The ready supply of almost 1m tonnes of palm kernel oil by the year 2000 poses a grave threat to coconut oil, according to a study prepared in the world's foremost exporter of coconut oil.

The United Coconut Association of the Philippines (UCAP) said: "If palm kernel oil succeeds in penetrating the inedible lauric oil usage, coconut oil would have to fall back into the edible usage market."

The latter market was extremely competitive and currently dominated by the cheaper soyabean oil and palm oil, it noted.

"As the future supplies of both soyabean oil and palm oil are forecast to be excessive, the price outlook for edible oils does not look promising," the UCAP study said.

It said world palm oil production was expected to reach 8.4m tonnes by the end of the century, with palm kernel oil reacing 398,000 tonnes.

World output of coconut oil was forecast to reach 4.56m tonnes by the year 2000, it said.

Because the level of coconut oil consumption by producing countries was higher than that of palm kernel oil producers, world market availabilities for coconut oil were expected to be reduced by about 20 per cent in the case o fthe Philippines and as much as 100 per cent in the case of countries like Indonesia.

Reuter

Nigeria finds iron ore deposits

LAGOS — Nigeria has discovered iron ore reserves estimated at 2bn tonnes.

Further tests are being carried out on the Agbaja Plateau, northeast of here, where the ore was discovered, to determine the size more precisely. Experts described the ore as high quality but were unable to give further details. They added manganese deposits have been found in the same area but their quantity and commercial viability are not yet known.

Nigeria is spending hundreds of millions of dollars on a steel industry to make the country self sufficient in steel products.

Emergency rubber meeting

KUALA LUMPUR—Natural rubber exporting countries, including Malaysia, Indonesia and Thailand, have agreed to hold an emergency meeting of the Association of Natural Rubber Producing Countries (ANRPC) to discuss their joint attitude to the International Natural Rubber Agreement (INRA), according to the head of the Malaysian delegation, Tan Sri B. C. Sekhar.

He gave no doubt for the meeting, but said rubber consuming countries caused "irreparable damage" to the Agreement at an INRA council session here, which ended at the week-end.

The session agreed to lower the price range, within which INRA'S buffer stock operates to stabilise prices, by 1 per cent, a move which producers tried to resist.

"We were seeking zero per cent reduction simply because the price bands were wrong but we were prepared to accept a symbolic reduction to keep to the letter of the agreement. Mr Sekhar said.

There is a provision in the agreement for an automatic 5 per cent downward revision of the price range if the market level remains below 179 Malaysian cents a kilo for six months, a condition that was recently fulfield.

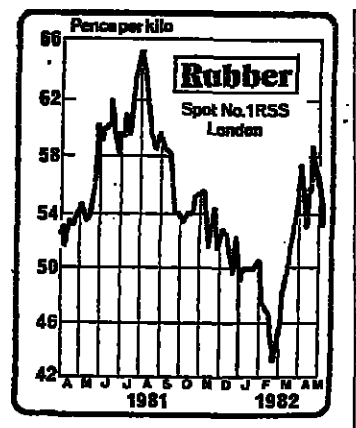
Mr Sekhar said the council decision was made unanimously but with the exporting members as mute witnesses. "It was either that or 5 per cent . . . to say we are disappointed is the understatement of the year."

Rubber industry experts said this is the first big disagreement under the pact, which is regarded as a model commodity agreement and is the first to be negotiated under the UN integrated commodities fund.

Malaysia will tell the council chairman on behalf of the exporters that there will be no point in completing the meeting's agenda, Mr Sekhar said.

"Everything should be frozen and the council adjourned until exporting members have consulted their capitals on whether we have a continuing interest in the agreement," he added.

Reuter



Tin export cuts hit dredging

BY WONG SULONG IN KUALA LUMPUR

THE DREDGING sector is to take the brunt of the quota cuts given to Malaysia under the International Tin Council export control decision.

Malaysia was given a quota of 9,048 tonnes for export up to the end of June, and this represents, like other tin producing countries, a cut of 15 per cent.

From this quota, the Ministry of Primary Industries has allocated 27.2 per cent to the dredging sector, 52 per cent for gravel pump mines, 8.3 per cent for Dulang and Aborgine miners, 9 per cent for others and 3.5 per cent for new mines.

This formula is based on the average output from the various sectors (apart from the new mines) for 1980 and 1981.

According to miners, the modern dredging sector, which still has strong foreign investment, will suffer a cut in exports of as much as 35 per cent of its normal level, while other mines would probably not feel the impact of the cuts at all.

In the case of the gravel pump mines, although they were given 52 per cent of the export quota when they account for 58 per cent of the national tin production, this smaller quota will be shared by fewer mines, since as many as 180 of them had closed down during the past 18 months due to depletion of deposits or uneconomic operations.

The dredging sector is further hit by provision for two large new dredges which began work recently in Perak and Pahang states.

Meanwhile, the All-Malaya Chinese Miners' Association has strongly criticised the U.S. continuing to sell stockpiled tin in spite of export controls.

The association said the U.S. action was a deliberate move to depress already depressed prices. It said any further sales would nullify the purpose of the export control measures which represent a last resort to check prices from falling to levels that would create chaos in the mining industry.

Peru copper sales restored

BY OUR COMMODITIES EDITOR

SOUTHERN Peru Copper Corporation and Minpeco—the state owned marketing agency—yesterday lifted its force majeure on shipments of blister copper and molybdenite concentrates. This follows the end of the strike at the Toquepala mine and Ilo smelter last week.

The companies declared force majeure on April 28 on shipments to customers in Europe, Japan, the U.S. and Peru.

Meanwhile in Toronto Sherritt Gordon Mines said workers had ratified the terms of a new 37-month contract at its Manitoba mine operations. However further negotiations could be requested after June 1, 1983 if the average copper price for 12 consecutive months exceeds $1.05 per lb, indexed by the consumer price index.

This type of formula, it is suggested, might set a precedent for current negotiations going on between the big U.S. copper producers and unions to avoid further cutbacks and unemployment in the industry.

Potato crop support scheme opens

By Our Commodities Staff

THE UK Potato Marketing Board is asking main crop producers to contract at least 15 per cent of their crops this year under its regular price support regime. It aims to put 600,000 tonnes under contract at prices ranging from £46 a tonne in October to £54 a tonne in June, 1983. The price range is the same as last year's, as is the £43.94 a tonne level underwritten by the Government.

In 1981 the Board also invited 600,000 tonnes for contract. The actual level was 213,121 tonnes, and with average prices well above the support level at around £80 a tonne, all of this was released back to growers.

In contrast nearly all the 422,731 tonnes contracted in 1980, when heavy supplies resulted in a very depressed market, were sold by the Board for stock feed.

The Board said yesterday that potato plantings looked like being close to the 163,000 hectares target and that supplies should be more or less in balance, assuming normal yields.

Support for bacon contract

BRITISH PIG producers were advised yesterday by the National Farmers' Union and the County Quality Pig Producers Association to accept the bacon pig supply contract offered by FMC, Britain's biggest bacon curer for the 1982-83 season "in the light of their own particular position."

"Discussion on the terms for the contract were delayed as a result of the uncertainties arising from the Danish foot and mouth situation," the NFU said. "Regrettably at this late hour the future is still not clear. It is in this context that understandably the curers have offered a contract which is very similar to the current one, where the formula has proved satisfactory."

MILK MARKET

Dispute grows over farm bottling

BY A CORRESPONDENT

URGENT discussions are now being held between the Milk Marketing Board of England and Wales and the Dairy Trade Federation (DTF), representing the dairy companies, over the issue of on-farm milk pasteurisers.

Leaders of both sides of the dispute are now trying to "cool it" but the row is beginning to spread out of control and pessimists argue that the whole future of the Milk Board price pooling system is at stake.

The Dairy Trade Federation is insisting that the Milk Board acts quickly to eliminate the price advantage, officially estimated at around 4p a gallon, enjoyed by the farm bottlers, officially known as "producer-processors" (PP).

The DTF says many of its members are now beginning to suffer seriously from the competition from the farmer milk-retailers.

Recently, the board of Northern Dairies in Hull, recognised as one of the most efficient milk retailing companies in the country, was told that they were facing competition from 38 producer-processors in their selling area "either in business now or offering cut price supplies."

The dairy companies feel that if the Milk Board doesn't do something soon to curb the growth of farmer-milk retailers they will make an official complaint to the Minister under Section 19 of the Milk Marketing Act.

This situation has taken the Milk Board by surprise. It stems from the EEC acceptance of the principle of monopoly milk boards in Britain. Brussels insisted on some of the MMB rules being rewritten. The important change was in EEC regulation 1422/78 which lays down five exceptions to the MMB's "exclusive right" of milk purchase. Section 5 refers to milk "which the producer withholds from sale to the MMB by agreement."

This clause gave birth to the producer-processor just over 12 months ago, since when they have caused nothing but trouble for the trade.

For the producers themselves there have been good profits. One Somerset producer, John Gunningham, recently talked of a bigger profit from retailing milk with only one eighth as much investment as that required in the farm. A big Lancashire producer-processor, Alan Swales, estimates he gets a better than 30 per cent return on invested capital from his processing and retailing.

Late last year one of Britain's best known dairy farmers, John Moffitt, in Northumberland, announced that he was going in for producer processing. The trade is talking of a "tidal wave," although in reality it is still small—but bigger than the MMB admits.

The MMB says there are 37 PPs in the country. The trade says there are more than 200 —many of them old Green Top producers (selling unpasteurised milk direct to customers) who have gone into producer processing without notifying the Board.

Last year the MMB started to get worried at Dairy Trade Federation complaints and action to freeze the issue of licenses was discussed. But this was defeated by some board members on the grounds that the PPs were legal and would be upheld by any challenge to the European Court. This may not be the case, as the rule permits the MMB to decide whether or not to allow PPs to opt out.

The board has not made up its mind either way. On the one hand it has warned of the dangers of producer-processing and on the other it has said there is nothing that can be done. Now there are some big and powerful producers engaged in the business; they will take some stopping.

Meanwhile the DTF must decide in the next few days if it is going to pay the new (slightly reduced) first hand selling price to the MMB. Some smaller companies are threatening to withhold money if the board doesn't act to curb the new farmer-retailer.

Careful diplomacy is going to be needed.

ACP countries seek EEC aid pledges

BY LARRY KLINGER IN BRUSSELS

STABEX Commodity Trade Guarantees and the Lome Sugar Protocol will dominate the three-day joint ministerial meeting opening in Libreville today between the 10 EEC countries and the 62 African, Caribbean and Pacific Ocean (ACP) nations grouped under the Lome Convention, the EEC's special trade and aid arrangements with the Third World.

Stabex—the programme under which EEC grants and loans are made to stabilise earnings in developing countries heavily dependent on commodity exports —fell far short of funds in 1981 for the second year running. The ACP states will want firm assurances that the programme is not in danger of collapse.

EEC funds available now can cover only about a quarter of ACP requests, which total more than £230m. The Commission is struggling to make extra funds available, but it is believed that the most it can hope to provide would still only meet about half of the legitimate demands.

On the sugar issue, several ACP countries will be seeking an expansion of the level of guaranteed imports into the EEC and reassurances that the ACP producers will not be discriminated against on price in relation to EEC growers of beet

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL PRICES moved narrowly in quiet trading on the London Metal Exchange with the exception of NICKEL which moved up to £2,940 prior to closing at £2,923 following Commission House buying and trade support. COPPER was finally £868 on news that Southern Peru Copper has lifted the force majeure. The closure of another U.S. secondary producer failed to influence LEAD which ended the day at £331, while ALUMINIUM was finally £561.25. TIN closed at £7,230, with the contango narrowing following protective borrowing of material due for delivery in June.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+or —
HighGrde	£	£	£	£
Cash	860-.5	-5	859-.5	-4
3 months	868.5-9	-1.5	868-.5	-4.5
Settlem't	860.5	-5		
Cathodes				
Cash	851-2	-3	852-3	-5
3 months	860.5-1	-5	861-.5	-5.25
Settlem't	852	-3		
U.S. Prod.			*78-81	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £860.00, 60.50, 60.00, three months £891.00, 90.50, 90.00, 89.00, 88.50, 89.00. Cathodes, cash £853.00, three months £861.50, 61.00. Kerbs: Higher Grade, three months £88.00, 87.50, 88.00, 88.50. Afternoon: Higher Grade: Cash £859.00, three months £869.00, 69.00, 87.50, 88.00. Kerb: Higher Grade: Three months £868.50, 68.00, 67.50, 68.00. Turnover 14,325 tonnes.

Tin — Morning: Standard: Cash £7,070, 80, three month £7,225, 20, 25, 30. Kerb: Standard: Cash £7,080.

TIN	a.m. Official	+or —	p.m. Unofficial	+or —
High Grade	£	£	£	£
Cash	7080-5	+45	7075-85	+17.5
3 months	7230-5	+32.5	7215-20	+15
Settlem't	7085	+40		
Standard				
Cash	7080-5	+40	7075-85	+17.5
3 months	7230-5	+32.5	7215-20	+15
Settlem't	7085	+40		
Straits E.	£529.40			
NewYork				

Afternoon: Standard: Cash £7,080, three months £7,220, 15. Kerb: Standard: three months £7,225, 30. Turnover 775 tonnes.

LEAD	a.m. Official	+or —	p.m. Unofficial	+or —
	£	£	£	£
Cash	317.5-.75	-.625	317.5-.75	-.625
3 months	331.5-.75	-.125	331.25-.5	-.375
Settlem't	317.75	-.75		
U.S. Spot			*26-8	

Lead—Morning: Cash £318.00, 17.50, 18.00, three months £332.00, 31.50. Kerb: three months £331.00. Afternoon: Cash £317.75, three months £331.00, 31.50. Kerb: three months £331.00. Turnover 22,175 tonnes.

ZINC	a.m. Official	+or —	p.m. Unofficial	+or —
	£	£	£	£
Cash	412.5-3.5	+1.25	412-.5	+1
3 months	418-9	+1.25	418-.5	+1
S'ment	413.5	+2.5		
Primw'ts			*35	

Zinc—Morning: Cash £414.00, three months £417.00, 17.50, 18.00, 19.00, 18.50. Kerb: three months £418.00, 18.50. Afternoon: three months £418.00, 18.50, 18.00. Kerb: three months £418.00, 17.00. Turnover 10,600 tonnes.

Aluminium—Morning: Cash £538.00, three months £559.00, 60.00, 61.00, 62.00, 61.50, 60.10, 60.00. Kerb: three

Aluminm	a.m. Official	+or —	p.m. Unofficial	+or —
	£	£	£	£
Spot	537.5-8	-1.25	539-40	-1.5
3 months	559-60	-1.5	561-.5	-1.5

months £560.00, 60.50, 60.00. Afternoon: three months £561.00, 61.00, 60.50. Kerb: three months £561.00. Turnover 13,900 tonnes.

NICKEL	a.m. Official	+or —	p.m. Unofficial	+or —
	£	£	£	£
Spot	2810-20	+65	2845-55	+56
3 months	2890-5	+57.5	2925-30	+31.5

Nickel—Morning: three months £2,880, 82, 85, 90, 95, 90. Kerb: three months £2,890. Afternoon: three months £2,910, 30, 25, 30, 25, 20. Kerb: three months £2,925, 25, 21, 20, 25, 21. Turnover 678 tonnes.

* Cents per pound. ‡ MS per kilo. † On previous official close.

SILVER

Silver was fixed 0.25p an ounce lower for spot delivery in the London bullion market yesterday at 384.3c. U.S. cent equivalents of the fixing levels were: spot 667.6c, down 2.1c; three-month 682c, down 2.1c; six-month 715.6c, down 1.9c; and 12-month 765.5c, down 1.5c. The metal opened at 383-386p (665-668c) and closed at 383-386p (667-671c).

SILVER per troy oz.	Bullion fixing price	+or —	L.M.E. p.m. Unofic'l	+or —
Spot	384.30p	-0.25	384.7p	-0.8
3 months	376.20p	-0.35	376.4p	-1.05
6 months	388.00p	-0.35		
12months	413.20p	-0.35		

LME—Turnover 105 (94) lots of 10,000 ozs. Morning: three months 377.0, 76.5, 76.3. Kerb: three months 377.0, 76.7. Afternoon: three months 376.5, 76.7, 77.0, 76.5, 76.0, 76.3. Kerb: three months 376.0.

GAS OIL FUTURES

Weaker, but quiet, physicals caused the market to ease off after opening $2.00 higher. Prices rallied reflecting a steady New York market, reports Premier Man.

Month	Yest'day's close	+or —	Business Done
	$ U.S. per tonne		
May	285.50	-0.50	287.00-84.25
June	286.25	+0.25	288.00-84.25
July	285.50	+0.75	286.00-84.50
August	286.00	+1.50	286.75-84.00
Sept	287.25	+1.25	288.00-85.50
Oct	289.25	+2.25	291.00-88.50
Nov	292.50	+2.00	292.00
Dec	295.00	+2.50	—
Jan	297.00	+2.50	—

Turnover: 1,854 (2,665) lots of 100 tonnes.

GRAINS

Old crops opened slightly lower, new crops slightly higher. Early weakness in old crops was met by strong shipper buying to see July wheat close on the highs. New crops were also active with shippers and commercials buying against market hedge-selling, Acli reports.

Mnth	WHEAT Yesterd'ys close	+or —	BARLEY Yest'rd'ys close	+or —
May	120.55	+1.85	112.80	—
July	119.15	+0.10	—	—
Sept	109.10	-0.35	104.95	+0.20
Nov	112.80	-0.30	108.65	+0.30
Jan	116.95	+0.05	112.90	+0.20
Mar	120.55	+0.05	115.90	+0.20

Business done—Wheat: May 123.15-119.65, July 123.95-122.67, Sept 109.15-108.90, Nov 113.00-112.75, Jan no trades. March 120.50-120.20. Sales: 291 lots of 100 tonnes. Barley: May 112.80 only, Sept 104.95-104.85, Nov 108.90-108.60. Jan 12.90-112.75. March 116.05-116.00. Sales: 170 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: May 10/June 10 111.50. June 109.75, July 108.50 transhipment East Coast sellers. English Feed, fob: May 122, June 123.50. Sept 112.75, Oct/Dec 116.75 sellers East Coast. Maize: French: May 137.50 quoted. South African White/ Yellow: June/July 86.00. Barley: English Feed, fob: May 117.75, June 119.00, July/Aug 107.00 sellers East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S East 111.10, S. West 113.30, W. Mids 111.40, N. West 112.30. The UK Monetary Coefficient for the week beginning Monday May 17 (based on HGCA calculations using five days exchange rates) is expected to remain unchanged.

SOYABEAN OIL

SOYABEAN OIL—The market opened $1.00 up in thin trading. Prices steadied on mixed buying. Closing prices and business done (U.S. $ per tonne): Aug 509.00-20.50, 509.00-08.50; Oct 510.00-1.00, 511.00-08.50; Dec 512.00-3.00, 512.50-10.00; Feb 515.00-6.00, 514.00-11.00; April 519.00-22.00, untraded. Turnover: 115 (63) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £118.00 (same) a tonne cif for May-June shipment. White sugar daily price £145.00 (£147.00).

Prices were confined within a narrow trading range in dull conditions, reports C. Czarnikow.

No.4 Contract	Yesterday's close	Previous close	Business done
	£ per tonne		
Aug	125.25-25.50	124.75-24.90	125.75-24.00
Oct	130.00-30.50	129.85-29.95	130.65-29.00
Dec	133.75-34.50	132.50-33.00	[illegible]
March	141.25-41.50	140.75-40.85	141.50-40.50
May	144.40-44.50	144.00-44.50	144.50-43.50
Aug	148.50-48.75	148.00-49.00	[illegible]
Oct	152.00-52.50	151.50-52.50	—

Sales: 1,489 (2,082) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £226.50 (£224.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for May 10: Daily price 8.49 (8.69); 15-day average 8.70 (8.75).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 600 tonnes, the largest daily total for six months. Continuous rise in average prices stimulated buyers into additional activity, and the need for replenishment increased sharply. Interest again ranged over numerous qualities, with North American and Middle Eastern in chief request.

PRICE CHANGES

In tonnes unless otherwise stated.

	May 11 1982	+ or —	Month ago
Metals			
Aluminium	£810/815		£810/815
Free Mkt.	$975/1005		$1005/1035
Copper			
Cash h grade	£859.25	-4	£874
3 mths	£868.25	-4.5	£902
Cash Cathode	£852.5	-5	£870.5
3 mths	£861.25	-5.25	£898.5
Gold troy oz	$331.875	-0.875	$345.25
Lead Cash	£317.625	-0.625	£333
3 mths	£331.375	-0.375	£345.25
Nickel	£3974		£3936
Free mkt	350/360c		265/275c
Platin'm tr oz'y	£260		£260
Free mkt	£171.00	+1.35	£195.10
Quicksilver†	$365/380	-3.5	$380/390
Silver troy oz	384.30p	-0.25	419.15p
3 mths	376.20p	-0.35	432.75p
Tin Cash	£7080	+17.5	£7317.5
3 mths	£7217.5	+15	£7337.5
Tungsten 22.0lb	$106.98		$120.32
Wolfrm 22.4lb $	$106/110		$102/107
Zinc Cash	£412.25	+0.75	£410.5
3 mths	£418.25	+1	£425.75
Producers	$860/900		$860/900
Oils			
Coconut (Phil)	$490u	+2.5	$520
Groundnut			$700
Linseed Crude			£360
Palm Malayan	$510v	+2.5	$512.5
Seeds			
Copra Ph lip	$350		$340
Soyabean (U.S.)	$274.25	+1.5	$262.5
Grains			
Barley Fut. Sep	£104.95	+0.05	£105.75
Maize	£137.50	+0.25	£134.00
Wheat Fut.July	£119.15	+1.15	£121.60
No.2Hard Wint			
Other commodities			
Cocoa ship't*	£1001	-16	£971
Future July	£980.5	-15.5	£960
Coffee Ft' July	£1139.5	-5	£1189
Cotton A.Index	77.05c	+0.2	71.05c
Gas Oil June	$286	+0.25	$273.5
Rubber (kilo)	53p	-0.5	55p
Sugar (Raw)	£118u		£141
Woolt'ps 64s kl.	399p kilo		384pkilo

‡ Unquoted. v June. u May-June. † Per 76-lb flask. * Ghana cocoa. n Nominal. § Seller.

GOLD MARKETS

Gold rose $2½ to $331½-332½ in fairly dull London bullion trading. It opened at $329-329½, the lowest level of the day, and touched a peak of $332½-333¼. The metal was fixed at $330.00 in the morning, and $332.25 in the afternoon.

In Paris the 12½ kilo gold bar was fixed at FFr 64,300 per kilo ($336.06 per ounce) in the afternoon, compared with FFr 64,300 ($335.12) in the morning, and FFr 65,000 ($339.44) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 24,365 per kilo ($331.99 per ounce), against DM 24,320 ($331.02) previously, and finished at $332-333, compared with $329½-330½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $329.40 per ounce.

In Zurich gold closed at $331-334, against $329-332.

LONDON FUTURES

Month	Yest'rday's close	+or —	Business Done
	$ per troy ounce		
August	336.00-8.05	+1.575	338.75-8.50
Sept'mb'r	337.80-8.00	+1.325	
October	340.90-1.00	+1.25	
November	341.80-1.60	+1.425	

Turnover: 1,028 (973) lots of 100 troy ozs.

	May 11		May 10	
Gold Bullion (fine ounce)				
Close	$331¾-332¼	(£181-181½)	$329½-330¼	(£184½-179¾)
Opening	$329-329½	(£179.8-180.3)	$330-330¼	(£179½-180)
Morning fixing	$330	(£180.160)	$329.50	(£179.593)
Afternoon fixing	$332.25	(£181.405)	$329	(£179.194)
Gold Coins				
Krugerrand	$342-342¾	(£186½-187)	$339-339¼	(£184¾-185¼)
½ Krugerrand	$176-177	(£96-96½)	$174¼-175¼	(£95-95½)
¼ Krugerrand	$89½-90¼	(£49-49½)	$89-90	(£48½-49)
1/10 Krugerrand	$36½-37½	(£20-20½)	$36¼-37¼	(£19¾-20¼)
Mapleleaf	$341½-342½	(£186¼-186¾)	$338¼-339¼	(£184½-185)
New Sovereigns	$80¼-81	(£44-44½)	$79½-80¼	(£43½-44)
King Sovereigns	$91-93	(£50-51)	$91-93	(£49½-50½)
Victoria Sovs	$95-96	(£52-52½)	$94-95	(£51¼-51¾)
French 20s	$69-79	(£37¾-43)	$68½-78½	(£37¼-42¾)
50 pesos Mexico	$408½-411	(£222¾-224¼)	$406½-407¼	(£222¼-222¾)
100 Cor. Austria	$322½-325	(£176-177¼)	$319½-321½	(£174¼-175½)
$20 Eagles	$432-437	(£235½-238)	$430-435	(£234½-237½)

INDICES

FINANCIAL TIMES

May 10	May 7	Month ago	Year ago
242.35	243.40	—	253.94

(Base: July 1, 1952=100).

MOODY'S

May 10	May 7	Month ago	Year ago
1008.6	1006.2	992.5	1090.5

(December 31, 1931=100)

DOW JONES

Dow Jones	May 10	May 7	Month ago	Year ago
Spot	125.32	125.42	126.10	—
Futr's	128.66	129.56	132.16	—

(Base: December 31 1974=100)

REUTERS

May 11	May 10	M'nth ago	Year ago
1577.1	1580.7	1606.5	1682.6

(Base: September 18, 1931=100)

PUBLIC NOTICES

READING BOROUGH COUNCIL
£1,900,000 bills issued on 12.5.82 at a rate of 12⁹⁄₁₆ to mature 11.8.82. Total applications were £14,400,000 and there are no bills outstanding.

WEST YORKSHIRE METROPOLITAN COUNTY COUNCIL
£16m 91-day Bills issued 12th May, 1982 due 11th August, 1982 at 12⁹⁄₁₆%. Applications totalled £80m. No other Bills outstanding.

ROTHERHAM METROPOLITAN BOROUGH COUNCIL
£2,000,000 bills issued on 12.5.82 at a rate of 12⁹⁄₁₆ to mature 11.8.82. Total applications were £18,000,000 and there are £5,000,000 bills outstanding.

ART GALLERIES

BLOND FINE ART, 33, Sackville St., W1. 437 1230. BRITISH PAINTINGS 1910-1950. Until 22 May.

ROYAL SOCIETY OF PORTRAIT PAINTERS at The Mall Galleries, The Mall, SW1. Annual Exhibition—Mon.-Sat. 10-5. Till 13 May. Adm. 50p.

COLNAGHI 14 Old Bond St. W.1. 01-491 7408. 19th CENTURY FRENCH DRAWINGS until 11 June. Mon-Fri 10-6, Sat 10-11.

PARKIN GALLERY 11 Motcomb St. S.W.1 01-235 8144. DAVID HOCKNEY & POETRY until 12th June.

CRANE KALLMAN GALLERY, 178. Brompton Rd., SW3 584 7566. Paintings & Drawings by Robin Baring. Until 15 May. Mon.-Fri. 10-6.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 734 0557.

HANOVARIAN NIGHTCLUB & Res., 9, Hanover Street. W1. Where today's businessman can enjoy an exciting & relaxing evening. Charming & discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 408 0269.

COCOA

Futures opened lower as due and hedging of Brazilian sales and arbitrage sellers kept prices depressed. Offtake remained scarce as manufacturers continued to await lower levels, reports Gill and Duffus.

COCOA	Yest'day's Close	+ or —	Business Done
May	949-50	-11.5	952-43
July	980-81	-15.5	986-73
Sept.	1003-04	-18.0	1013-98
Dec.	1038-39	-19.0	1050-30
March	1072-73	-17.0	1083-65
May	1093-98	-15.0	1103-00
July	1110-80	-16.5	—

Sales: 2,972 (1,532) lots of 10 tonnes.

ICCO—Daily prices for May 11: 80.61 (82.21). Indicator price for May 12: 80.65 (80.46).

COFFEE

A slight retracement in sterling prompted early trade buying triggering a short covering rally in thin volume, reports Drexel Burnham Lambert. Dealer switch trading dominated activity with premiums widening. Late commission house selling produced a weak close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1162-65	-2.0	1185-65
July	1139-40	-5.0	1160-40
Sept.	1101-02	-10.0	1122-00
Nov	1086-90	-9.0	1105-85
January	1080-85	-6.5	1090
March	1075-77	-4.5	—
May	1060-80	-6.0	—

Sales: 2,673 (1,829) lots of 5 tonnes.

ICO Indicator prices for May 10: (U.S. cents per pound): Comp. daily 1979 121.93 (121.49); 15-day average 122.76 (122.71).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 569.0, 571.0, 570.0-566.0; July 556.0, 557.5, 557.0-556.0; Oct 525.0, 527.0, 526.0-524.0; Dec 527.0, 529.0, 527.0; March 531.0, 532.5, 532.5-532.0; May 534.0, 538.0, 534.0; July 542.5, 543.0, 543.0; Oct 540.0, 541.5, 541.5. Sales: 76.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents pr kg. May 365, 376, 375; Aug 398, 399, 399, 398; Oct 404, 405, 410-406; Dec 409, 410, 417-412; Jan 410, 412, 417-416; March

RUBBER

The London physical market opened slightly easier, attracted little interest through the day and closed quiet. Lewis and Peat recorded a May fob price for No. 1 RSS in Kuala Lumpur of 204.5 (same) cents a kg and SMR 20 180.0 (same).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
June	53.70-55.00	55.50-55.00	53.60
July	54.30-54.50	54.00-55.00	54.60-53.60
Jly-Sept	54.60-54.70	54.60-54.80	54.70-53.70
Oct-Dec	56.20-56.50	59.60-56.70	56.50-55.80
Jan-Mar	57.80-57.90	58.50-58.70	56.60-57.60
Apl-Jne	59.70-59.60	60.30-60.40	59.40-59.50
Jly-Sept	61.50-61.60	62.10-62.20	61.60-61.20
Oct-Dec	63.60-63.70	63.60-64.00	63.50
J'n-Mch	65.50-65.40	65.70-65.90	65.40-65.20

Sales: 559 (269) lots of 15 tonnes. 68 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 53.00p (53.50p); June 52.00p (same); July 52.75p (53.50p).

SOYABEAN MEAL

The market opened around £1 higher on follow-through buying, reports T. G. Roddick. Prices remained in a narrow trading range in quiet conditions.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	133.50-34.0	+0.05	134.00
August	132.50-33.5	+0.75	133.20-33.00
October	135.00-35.5	+1.00	135.50-35.00
Dec	136.60-37.0	+1.05	136.80-36.60
Feb	140.00-41.0	+1.00	140.50
April	140.50-44.0	-0.50	—

Sales: 724 (365) lots of 100 tonnes.

POTATOES

LONDON POTATO FUTURES—Follow-through buying attracted further short-covering and fresh buying, moving May to a new contract high. All markets were steady at the close, reports Coley and Harper. Closing prices: Nov 67.60, +2.40 (high 67.60, low 65.50); Feb 77.90, +2.40 (high 77.90, low 76.60); April 90.70, +3.50 (high 90.80, low 89.50); May 102.30, +2.80 (high 102.50, low 100.00). Turnover: 570 (265) lots of 40 tonnes.

★

HIDES—Birmingham. Second clears. Ox: 31-35.5 kg, 61.3p a kg (61.1p); 26-30.5 kg, 68.0p a kg (68.6p): 22-25.5 kg, 78.1p a kg (78.6p). Light cows: 25.5 kg, 71.5p a kg (71.2p a kg withdrawn).

★

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codlings £4.00-£5.50: large haddock £4.00-£6.00, medium £3.70-£4.20, small £2.70-£3.20, medium plaice £5.30-£6.70, best small £4.80-£7.60: skinned dogfish, large, £8.00: medium, £4.00-£5.00; lemon sole, large, £11.00: medium, £10.50: rockfish £1.60-£3.20; saithe £2.40-£2.60.

MEAT/VEGETABLES

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 103.47p per kg lw (+2.05). UK—Sheep 205.52p per kg est dcw (−8.67). GB—Pigs 75.69p per kg lw (+4.01).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.6 to 87.0: Ulster hindquarters 101.5 to 104.5, forequarters 58.0 to 60.5: Eire hindquarters 99.7 to 103.0, forequarters 58.5 to 60.3. Veal: Dutch hinds and ends 120.0 to 125.0, hinds and ends (limited supply, high quality) 127.0. Lamb: English, small (new season) 99.0 to 107.0, medium (new season) 100.0 to 104.0, heavy (new season) 96.0 to 98.0. Imported—New Zealand PL 63.5 to 65.0, PM 64.0 to 65.0, PX 63.0 to 63.5, YL 62.0 to 62.0, YM 62.0 to 62.0. Pork: English, under 100 lb 40.0 to 56.0, 100-120 lb 47.0 to 55.0, 120-160 lb 39.5 to 52.0.

Increased Soviet maize output planned

BONN—The Soviet Union plans to increase maize production to 15.8m tonnes in 1982, entailing a sown area of 4.2m hectares and yields of not less than 3.71 tonnes per hectare, the East Bloc Agricultural Newsletter said.

It quoted an unnamed Moscow-based maize magazine as saying these figures compare with average production of 9.57m tonnes, average sown area of 2.98m hectares and yields of 3.22 tonnes per hectare in the 1976 to 1980 period.

Official 1981 maize figures exist only for the sown area which increased 19 per cent over 1980 to 3.55m hectares.

Reuter

AMERICAN MARKETS

NEW YORK, May 11

The pork complex was sharply higher as live markets remained very tight, while cattle sold off moderately on lower trade demand. Precious metals and copper rallied on easier interest rates and commission house short covering. Cocoa came under pressure from selling by Ivory Coast and Brazil. Heating oil sold off as locals pressed the market for stops, reported Heinold.

Copper — May 72.20-72.40 (71.60). June 72.85 (72.25). July 73.80-73.90. Sept 75.55. Dec 78.00-78.10. Jan 78.85. March 80.45. May 82.00. July 83.55. Sept 85.10. Dec 87.45. Jan 88.20. March 89.70. Sales: 4,500.

Potatoes (round whites)—Nov 78.7-79.0 (78.0), Feb 87.0-89.0 (88.0), March 90.5-92.0, April 103.5-104.6. Sales: 39.

§Silver — May 668.9 (664.5), June 672.7 (668.7), July 680.0-681.5, Sept 698.0, Dec 721.0-722.0, Jan 731.4, March 748.2, May 765.0, July 781.8, Sept 798.6, Dec 823.8, Jan 832.2, March 849.0. Handy and Harman bullion spot: 668.50 (671.00).

Sugar—No. 11: July 8.72-8.74 (8.72), Sept 8.98-8.99 (8.96), Oct 9.19-9.20, Jan 9.50, March 10.18, May 10.43, July 10.70-10.75, Sept 10.85-10.90. Sales: 4,053.

Tin—591.00-593.00 (589.00-591.00).

CHICAGO, May 11.

Lard—Chicago loose 23.00 (23.25).

Live Cattle—June 71.80-71.90 (72.00), Aug. 66.65-66.70 (66.75). Oct 64.00-63.90. Dec 64.35-64.20. Feb 63.97-64.05. April 64.10.

Live Hogs—June 61.50-61.40 (60.55), July 62.35-62.25 (61.42), Aug 61.47-61.40. Oct 57.85-57.70. Dec 57.20-57.50. Feb 54.50-54.60. April 51.60. June 52.20. July 52.25.

‡‡Maize—May 272¼-272½ (271). July 279¾-280 (279½). Sept 281¾. Dec 284-283¾. March 297¼-297. May 304.

Pork Bellies—May 90.90-90.80 (89.25), July 89.25-89.45 (87.60), Aug 86.80-87.20. Feb 75.20-75.50. March 75.40-75.80. May 76.10. July 76.15-76.25. Aug 73.50.

†Soyabeans—May 663-663½ (657), July 671-671½ (663¼), Aug 674½-674, Sept 674-674½, Nov 678½-678, Jan 690½-691, March 705, May 717.

||Soyabean Meal—May 192.5 (191.1), July 192.8-192.6 (191.1), Aug 193.2-193.5, Sept 194.2-194.5, Oct 195.0, Dec 198.2, Jan 200.5, March 204.0, May 207.5.

Soyabean Oil — May 20.08-20.11 (19.82), July 20.56-20.57 (20.26). Aug 20.80, Sept 21.02, Oct 21.20-21.15, Dec 21.52-21.53, Jan 21.70-21.73, March 22.00-22.10, May 22.25-22.30.

†Wheat—May 346½ (same), July 361¾-361 (361¼), Sept 377½-377¼, Dec 399, March 415¾-415¼, May 422¼.

WINNIPEG, May 11.

§Barley—May 129.20 (127.50). July 127.40 (126.50). Oct 126.20. Dec 127.30, March 129.20.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 222.19 (220.49).

*Platinum—May 308.1 (306.5), July 312.0-312.5 (309.5). Oct 319.6. Jan 334.0. April 341.1. Sales: 1,169.

*Gold — 333.7 (329.2), June 335.3-336.2 (331.5), July 339.4, Aug 342.5-343.5, Oct 349.8, Dec 357.0-358.0, Feb 365.1, April 374.0, June 380.7, Aug 388.7, Oct 396.8, Dec 405.0, Feb 413.2.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton 2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Monday's closing prices

NEW YORK, May 10.

††Cocoa—May 1705 (1733). July 1662 (1698), Sept 1700, Dec 1750, March 1800, May 1850, July 1883. Sales: 1,400.

Coffee—"C" Contract: May 139.00 (136.90). July 124.60-124.90 (121.69). Sept 119.25-119.50. Dec 116.00-116.30. March 113.00-115.00. May 109.00-112.00. July 114.00. Sales: 2,015.

Cotton — No. 2: July 69.12-69.15 (68.72). Oct 71.70-71.71 (72.29). Dec 72.85-73.05. March 74.71. May 75.86-76.07. July 76.85-77.25. Oct 78.07-78.40. Sales: 2,850.

Orange Juice — May 115.00-115.20 (115.60). July 118.75 (119.25). Sept 121.80. Nov 123.80. Jan 125.80. March 127.20-127.40. May 128.60-128.90. July 130.00-130.30. Sept 131.40-131.70.

CHICAGO, May 10.

Chicago Imm Gold—June 332.0-332.1 (335.2), Sept 342.5 (346.5), Dec 332.6, March 364.3, June 375.6, Sept 387.2.

EUROPEAN MARKETS

ROTTERDAM, May 11.

Wheat — (U.S. $ per tonne): U.S. No. 2 Dark Hard Winter, 13.5 per cent: Arrived 202. U.S. No. 2 Red Winter: May 158. U.S. No. 3 Amber Durum: May 180, June 180, July 181, Aug 183, Sept 165, Oct 188. U.S. No. 2 Northern Spring, 14 per cent: May 186, June 183, July 181, Aug 181, Sept 182, Oct 184. Canadian Western Red Spring: April 197, May 198.

Maize — (U.S. $ per tonne): U.S. No. 3 Yellow: Afloat 136.50, May 134.50, June 132.50, July/Sept 132.50. Oct/Dec 131.25, Jan/March 138.50 sellers.

Soyabeans—(U.S. $ per tonne). U.S. No. 2 Yellow Gulfports: June 268.50, July 269 traded, May 268.25, June 269, July 269.25, Aug 270, Sept 270, Oct 264.25, Nov 264.25, Dec 268.50, Jan 273.50, Feb 277, March 280.50 sellers.

Soyameal—(U.S. $ per tonne), 44 per cent protein: Afloat 239, May 235, June 235, April/Sept 235, Nov/March 244 sellers. Pellets Brazil: Afloat 245, May 245, June 244, May/Sept 244.50, Nov/March 258 sellers.

PARIS, May 11

Cocoa—(FFr per 100 kilos): May 1013-1018, July 1055-1085, Sept 1112-1115, Dec 1160-1165, March 1200-1210, May 1230-1245, July 1250-1260: Sales at call: 2.

Sugar—(FFr per tonne): July 1525-1540, Aug 1530-1532, Oct 1520-1522, Nov 1515-1525, Dec 1535-1545, March 1610-1620, May 1650-1660, July 1690-1700. Sales at call: 20.

Service bases for exploiting China's new offshore oil

By Robert Cottrell in Hong Kong, Colina MacDougall in London and Tony Walker in Peking

THE PAPERWORK is now dropping through the letter-boxes of about 40 companies which are in the bidding to exploit China's offshore reserves. Ahead lie months of negotiating down to the fine print before the exploratory drilling begins.

The Chinese offshore reserves could be anywhere between 2bn and 20bn tons, depending on whose estimates you take (Peking's are the highest, but may include less definitive categories of reserves); 4bn to 5bn is a favoured figure, but the western companies which surveyed the offshore blocks are keeping their cards close to their chests. Using North Sea experience as a guide, financiers and oil men are guessing that the cash needed for development could be $1bn a year or more.

With the World Bank forecasting China's oil consumption overtaking onshore production by 1990, the offshore development looks like a timely business opportunity for all concerned. The one snag is that the Chinese have made it clear that offshore oil is a show which they intend to run themselves.

According to regulations issued by China in February this year, not only will support bases be located within its borders, but Chinese manufacturing and service companies will be preferred for all requirements, so long as their price and quality are competitive.

But can China possibly come up with all the facilities before large scale exploration begins next year? Each of the operators is going to need a huge array of support activities — contract drilling, work boats, helicopter services, well logging, diving, muds, fuel, spares, wharfside equipment, fast air travel, telex, telephone and radio, to say nothing of food and accommodation.

Peking is hardly likely even to have enough rigs. This is the view of Kim Woodard and Robert C. Goodwin Jnr, experts in the China energy field and authors of a detailed study of China's equipment in the latest issue of the authoritative China Business Review, journal of the semi-official National Council for U.S.-China Trade. The rig requirement in the South China Sea, they estimate, is likely to be 20-30 in number up to 1985, while the Chinese will probably have no more than 16 at most available.

In any case, they say that some believe the most promising areas lie in the deepest waters of the continental shelf, for which drillships, not rigs, would be needed. These the Chinese do not have.

As foreign operators are none too keen to lease Chinese rigs (one sank in 1979, another was grounded, maintenance is poor and crews inexperienced) this may be for the best. The prospect of arguing over each imported item with the Chinese bureaucracy is not attractive, though new customs regulations allowing oil equipment in duty free suggests the Chinese may not be too unreasonable.

China has begun to grapple with the supplies and services problem. It already has a small fleet of Bell helicopters. In January it announced a joint venture with Dresser Atlas of the U.S. for well logging and the Jiangnan shipyard in Shanghai signed three contracts with Baker Marine (also of the U.S.) for platform design and building. In March the China National Offshore Oil Corporation signed a deal with Irish Bridge of the UK for Yellow Sea drilling, and two memoranda (with Brown and Root and Ingalls Shipbuilding, both of the U.S.) related to rig construction.

Zhanjiang, in the far south of Guangdong province (once a French concession), has been officially designated as base for the South China Sea operation. Close to the Total-Chine block, Woodard and Goodwin say it has an excellent harbour, good rail and sea links, a Control Data computer centre and some decrepit colonial style housing. There is an airstrip with local Chinese airline flights to Guangzhou (Canton) and a helicopter base.

CHINA'S MINISTRY of Petroleum and the provincial government of Guangdong have together set up a new company, the Joint General Petroleum Service Corporation of the South China Sea. It will provide helicopter and shipping services, materials, communications, underwater salvage and maintenance, the official news agency said. The corporation will establish a specialised company to service an offshore oil land base.

Moored at Zhanjiang is a fleet of service boats, adequate for the first four rigs. There is a drill pipe and casing yard with enough for eight rigs. AmPac of Hong Kong are building a $110m refinery under joint venture terms.

But there are some glaring omissions—no warehouses or heavy lifting equipment, no fuel tanks, workshops, office space, mobile cranes. And flying from Hong Kong currently takes about six hours because a stop-over at Guangzhou is needed to go through customs.

China will need other bases. The Chinese have indicated these may be at Shantou (Swatow), near Guangdong's northern boundary, and Shekou, just across the Hong Kong border in the Shenzhen Special Economic Zone (SEZ). But so far, except for a wharf in Shekou, they are completely undeveloped. Using Norwegian costs, Woodard and Goodwin estimate it would cost $200m to $250m each to bring them up to standard. While this pales in comparison with the sums needed for exploration, it is a lot of cash for Peking to find.

It may be no coincidence that Shekou and Shantou are both SEZs, where China has set up special terms to attract foreign investment—to some purpose in Shenzen, which has sucked in $400m worth already. But Shantou has not yet begun to get off the ground.

China wants Guangzhou to figure as a rear base, and it is now some small way down the line to doing so. In mid-March it set up a helicopter service to provide transport for companies prospecting in the South China Sea (another will follow in north China to service operators in the Bohai Gulf and Yellow Sea). A new marine geological survey base has a fleet of a dozen survey and transport ships, computer centre, laboratory, radio transmitter and three berths. Last November a French concern (Union Industrielle d'Entreprise) signed a joint venture with the Guangdong Shipbuilding Corporation to construct platforms and rigs.

But this is just scraping the surface. The answer to the big question, can China supply all the offshore industry's needs in time, has to be no. This is where Hong Kong comes in. The Chinese may not want it to be a base as such, but it has an inescapable role as a source of equipment and finance. Within days of the publication of the February oil regulations, Hong Kong businessmen descended like a swarm of bees on Zhanjiang to see what opportunities they could pick up. Hong Kong banks are building up their oil expertise and—since they don't normally lend for offshore exploration—the local stock markets could be a fertile source of funds.

Among Hong Kong companies which stockbrokers Vickers Da Costa expect, as the result of a recent study, to benefit directly from oil development are a handful whose present operations already give them significant exposure to the industry. Swire Pacific and Hutchison Whampoa jointly own Hongkong United Dockyards, which has recently moved to a spacious new home at Tsing Yi and has experience in petroleum development and exploration-related activities.

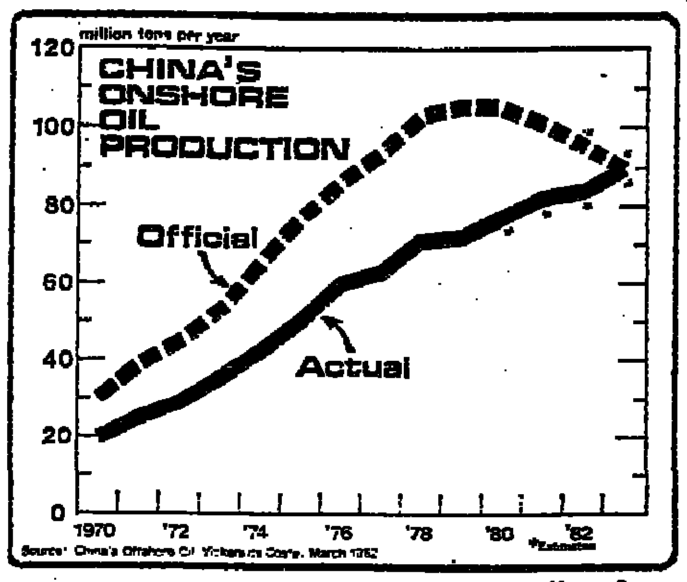
Eurasia Shipyard, controlled by the C. Y. Tung group, has licensed rig building technology from Marathon Le Tourneau of Houston and has floating cranes and workshops for ship repair. Swire also has subsidiaries in aviation and catering, plus a fleet of 28 support boats in Swire Pacific Offshore.

Development of a Hong Kong base, Woodard and Goodwin believe, will depend in the last analysis on the pace and scale of discoveries. If these are large in the first years of exploration, China will be unable to meet demand. But inevitably it will have a role as a key source of backup services.

Singapore too will get in on the act. Already a centre for all the Far East operators, it is currently supplying containerised food for the French in the Total-Chine operation. But oil men who propose to work with the Chinese will need more than the usual ration of diplomacy to persuade Peking of the value in cash and time saved of full co-operation with foreigners.

R.C. and C. MacD.

The Chinese rules for bidding



Martyn Barnes

THE IMMEDIATE task for China's petroleum authorities is to collect and process bids for exploration and development rights in its offshore waters. About 40 companies have been invited to submit tenders for exploration leases in the Yellow Sea, South China Sea and Gulf of Tonkin.

The bidding process is being conducted in stages. In stage one, the newly-formed China National Offshore Oil Corporation, CNOOC, sent a letter of notification to 46 companies that took part in geophysical surveys off the Chinese coast inviting them to register an interest in bidding.

The area specified in the first stage covers 150,000 square kilometres in the Yellow Sea, North of Shanghai, in the South China Sea off the south east China coast and in waters around Hainan Island.

In the second stage additional blocks were opened to bidding in the Yellow Sea and in waters around Hainan. The additional area covers about 42,000 square kilometres.

In stage three foreign oil company representatives were summoned on Monday of this week to the CNOOC offices in Peking to receive a package of documents that will enable them to formulate their bids.

The package included a model contract outlining conditions governing exploration and development, copies of the foreign enterprise income tax law, petroleum regulations and bidding instructions.

Publication of the model contract together with the release of other documents, according to oil company representatives here, clears up most of the outstanding questions relating to the liability of companies taking part in the exploration and development of China's offshore reserves.

Foreign oil company executives in Peking are describing the conditions laid down by the Chinese as "tough," but in line with what was expected. They warn, however, that the conditions for investment in oil exploration and development are not nearly so favourable today as they were six to 12 months ago.

Foreign oil companies will have 100 days from May 10 in which to lodge their bids. These will be put forward in the form of a "work programme" which will stipulate such things as exactly what blocks are being sought, how many test wells will be sunk, how much additional seismic work is planned and how much money the foreign operator plans to spend.

Oil company representatives say that problems of interpreting Chinese regulations could be cleared up after the 100 days period in discussions with CNOOC. They don't expect leases to be allocated until the first quarter of 1983.

The Chinese have made it clear they want to restrict the number of operating companies (that is, those leading exploration and development efforts) to about 12. This means smaller companies will have to join a consortium with a bigger "operator."

China has stipulated that these consortia should not include more than five companies. "It may well be that a big company may want to spread the odds," said one western oil company representative in Peking. "In other words, you have so much money allocated for exploration and it is very sensible to spread this cash over several blocks rather than one."

Major operators for the seismic survey of China's offshore waters which have been carried out over the past several years as a lead-up to this present bidding phase included British Petroleum, Phillips, Chevron/Texaco, Mobil Oil, Amoco, Atlantic Richfield, Elf Aquitaine and Esso Exploration.

A number of these companies will act as "operators" for the exploration programme, some in partnership with smaller concerns. BP, for example, is leading a five-company consortium which plans to enter the bidding for at least some of the blocks.

The Chinese have indicated they will actively encourage the formation of consortia on the grounds, as one foreign oil company representative said, that they want all their foreign friends to be happy. However, Chinese officials have also said they don't believe in forced marriages.

T.W.

BASE LENDING RATES

A.B.N. Bank	13 %	Robert Fraser	14 %
Allied Irish Bank	13 %	Grindlays Bank	‡13 %
American Express Bk.	13 %	■ Guinness Mahon	13 %
Amro Bank	13 %	■ Hambros Bank	13 %
Henry Ansbacher	13 %	Heritable & Gen. Trust	13 %
Arbuthnot Latham	13 %	■ Hill Samuel	§13 %
Associates Cap. Corp.	13 %	C. Hoare & Co.	†13 %
Banco de Bilbao	13 %	Hongkong & Shanghai	13 %
BCCI	13 %	Kingsnorth Trust Ltd.	14 %
Bank Hapoalim BM	13 %	Knowsley & Co. Ltd.	13½ %
Bank Leumi (UK) plc	13 %	Lloyds Bank	13 %
Bank of Cyprus	13 %	Mallinhall Limited	13 %
Bank Street Sec. Ltd.	14 %	Edward Manson & Co.	14 %
Bank of N.S.W.	13 %	Midland Bank	13 %
Banque Belge Ltd.	13 %	■ Samuel Montagu	13 %
Banque du Rhone et de la Tamise S.A.	13½ %	■ Morgan Grenfell	13 %
Barclays Bank	13 %	National Westminster	13 %
Beneficial Trust Ltd.	14 %	Norwich General Trust	13 %
Bremar Holdings Ltd.	14 %	P. S. Refson & Co.	13 %
Brit. Bank of Mid. East	13 %	Roxburghe Guarantee	13½ %
■ Brown Shipley	13 %	E. S. Schwab	13 %
Canada Perm't Trust	13½ %	Slavenburg's Bank	13 %
Castle Court Trust Ltd.	13½ %	Standard Chartered	■13 %
Cavendish G'ty T'st Ltd.	14 %	Trade Dev. Bank	13 %
Cayzer Ltd.	13 %	Trustee Savings Bank	13 %
Cedar Holdings	13 %	TCB Ltd.	13 %
■ Charterhouse Japhet	13 %	United Bank of Kuwait	13 %
Choulartons	13½ %	Whiteaway Laidlaw	13½ %
Citibank Savings	¶12¾ %	Williams & Glyn's	13 %
Clydesdale Bank	13 %	Wintrust Secs. Ltd.	13 %
C. E. Coates	14 %	Yorkshire Bank	13 %
Comm. Bk of Near East	13 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13 %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½ %		
First Nat. Secs. Ltd.	15½ %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.8%.
† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
§ 21-day deposits over £1,000 11¼%.
¶ Demand deposits 10¼%.
‖ Mortgage base rate.

MINING IN GABON

Mapping the wealth of the interior

By Mark Webster

FAR INTO the bush, in the West African state of Gabon, giant buckets filled with manganese swing along a giant cableway. Each bucket contains about one tonne of ore which creaks its way along the 76 kms of cable to join a spur of railway line in neighbouring Congo-Brazzaville. From there it has another 500 kms by rail to the Congolese port of Pointe Noire.

It is a complex and costly journey for the 1.5m tonnes of manganese which Gabon exported last year. The limitations of the cableway mean that any significant increase in exports will have to wait until the Transgabon railway reaches Franceville in the distant south-east sometime before the end of the decade.

For the time being, Gabon is having trouble selling even its potential maximum of 2m tonnes a year because of depressed market conditions. Last year's 1.5m tonnes represented a decline of 30.7 per cent on the previous year as Gabon abided by voluntary limitations on its production. It is hoped that 1982 will see exports rise again to some 1.7m tonnes.

But manganese is only a small part of the mineral riches of Gabon which makes it something of an El Dorado for its tiny population estimated at around 1m people. Crude oil is its biggest export, but the Government hopes that once the Transgabon railway is complete it will open the way to exploiting more of the country's other natural resources.

The area made accessible by the railway

In addition to the manganese and uranium which are already being exploited, there has been a substantial discovery of iron and deposits of barytes, talc, lead, zinc and copper along with fresh traces of gold and diamonds. A considerable exploration effort is now underway to discover which of them are in commercially exploitable quantities.

In the Interim Development Plan for 1980-82 the accent is on a thorough examination of the interior, especially in the area which will be made accessible by the railway. The dense bush covering three-quarters of Gabon's land area will make exploration and exploitation both difficult and expensive but the Government has made mining a key element in its strategy for preparing the "after petrol" economy when its oil reserves start to run out.

The policies of the Government in the mining sector are outlined in the plan as:

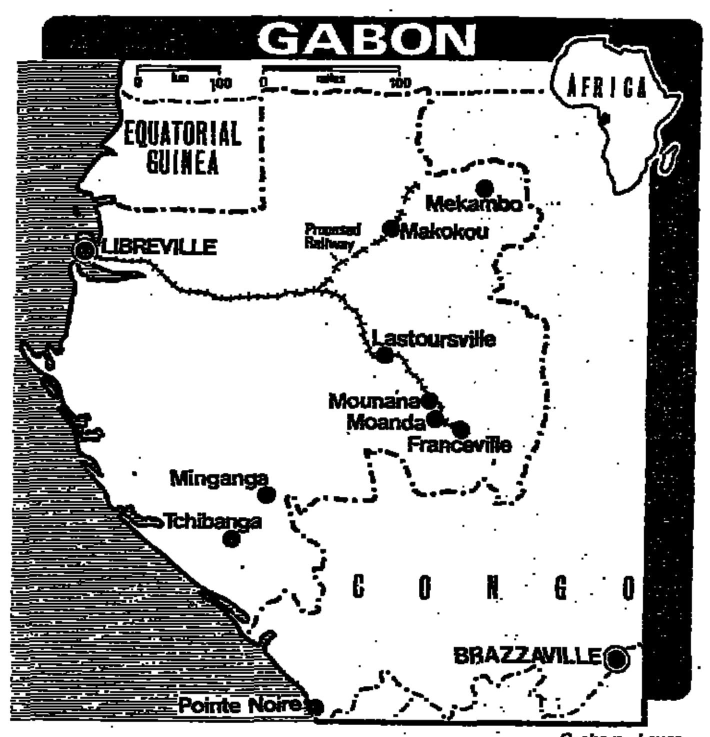
- Diversifying the mining output by encouraging exploration for fresh deposits
- Exporting raw materials "as much as possible" in a processed form
- Pursuing a liberal approach to foreign investors while encouraging a greater Gabonese participation in new ventures

The plan envisages one of the most thorough programmes of exploration yet carried out in a black African country and will produce a complete geological map of the country from which more detailed examination of attractive sites can be undertaken. There are three stages to the survey of the country and a contract is expected to be announced soon for the first stage.

That first stage is the complete radar survey of Gabon at a cost of more than £1.1m (CFA 600m). The second will be a thorough study of Gabon's geophysical make-up and the preparation of maps costing £2.8m (CFA 1.5bn). Finally there will be studies of the investigations carried out not only for geological purposes but also with an eye to agriculture and other uses at a cost of £1.7m (CFA 900m). The work is expected to take some four to five years.

According to the plan, the first indications should be ready from the radar survey sometime after 1982. The initial efforts will be concentrated on the area 100 km each side of the Transgabon railway which add up to some 100,000 square kilometres. Once the radar survey gets under way the Government hopes to explore some 20,000 square kilometres a year.

In the meantime, Gabon has made efforts to increase the output of its existing manganese and uranium mines. The manganese deposits at Moanda are vast. Reserves are estimated at 200m tonnes or one quarter of known total world reserves. The manganese can be literally scooped from the ground from the open cast mine near Moanda which covers 26 square kilometres to a depth averaging 5 metres.



Graham Lever

The Compagnie Miniere de l'Ogooue (Comilog) has been mining the deposits since 1962. The shareholders are U.S. Steel (44 per cent), Bureau de Recherches Geologiques et Minieres of France (19 per cent), Compagnie de Mokta (17 per cent), the Gabonese Government (10 per cent), SAMAF (9 per cent) and private Gabonese investors (1 per cent).

The recession in the world steel industry has hit the manganese exports and total production in 1981 fell to 1.5m from 2.3m tonnes in 1979.

The comparatively bleak outlook for the world steel industry makes it more difficult to forecast when the Government will decide on plans to expand production and install two large plants for the production of ferro-manganese, silico-manganese and manganese monoxide. The only reasonable certainty is that when the Transgabon railway arrives at Franceville, production will double to more than 4m tonnes a year and the mine at Okouma will come on stream.

The Sogaferro project aims to produce 85,000 tonnes of ferro-manganese and 50,000 tonnes of silico-manganese at a cost in 1977 terms of £46m (CFA 25bn). No further studies will be undertaken until after 1982 at the earliest about the viability of the project which would need some 60 MW of power from the Grand Poubara dam when it is built. A mini-plant of 30,000 to 35,000 tonnes a year was not considered profitable.

The Sogadema project envisages production of 100,000 tonnes of manganase monoxide a year for cattle food, fertilisers and fungicides. It would also have to await the arrival of the Transgabon railway at Moanda, but a smaller plant producing 10,000 tonnes a year was considered before finally being rejected on the grounds of cost.

Plans are going ahead for an increase in the country's uranium production which now hovers at just under 1,000 tonnes a year. An extension of the uranium enrichment plant at Mounana should soon be fully operational, pushing total production of Gabon's "yellow cake," containing 74 per cent uranium, to some 1,500 tonnes a year.

Gabon's deposits have a high uranium content of 3.6 per mille and total reserves are estimated at 32,000 to 35,000 tonnes. Some 25,000 tonnes are in the Mounana region currently being exploited and the other 10,000 tonnes are at Mikoulougou, 60 kilometres away. The Mounana deposits are processed on site and then exported by road and railway through Congo-Brazzaville to the port of Pointe Noire.

The Mounana deposits were first discovered by the French Nuclear Energy Agency in 1956 and they have been mined since 1961 by the Compagnie des Mines d'Uranium de Franceville (Comuf). The main shareholders in Comuf are the Compagnie de Mokta (28.1 per cent), the Gabonese Government (25 per cent), Compagnie Generale des Matiers Nucleaires (18 per cent), Minatome (13 per cent) and Compagnie Francaise de Minerai d'Uranium (7.5 per cent).

There is a considerable amount of fresh exploration being carried out and in the Estuaire region a consortium of the Gabonese Government, COGEMA of France and PNC of Japan found traces of uranium which have not proved commercially explitable. They are exploring other areas near Bakoue. A second consortium grouping the Government, COGEMA and the Korean Electric Company was formed in March 1980 and has begun a three-year exploration in the Lastourville region.

The most obvious candidate for development in the future is the huge iron ore deposit in the north east near the border with Congo-Brazzaville, which is estimated at 850m tonnes. The iron ore between Mekambo and Makokou is 64.5 per cent metal but its exploitation will have to wait until a separate spur of the Transgabon railway is undertaken some time after 1986. Whether the investment is made in the track will in turn depend on the general state of the steel market and the demand for iron ore.

Gold production only a few kilos a year

At present, the consortium which has done much of the initial studies is the Societe des Mines de Fer de Mekambo (Somifer). The Gabonese government has a 32 per cent stake in Somifer while the other main partners are Interocean Shipping (20 per cent), Comilog (10 per cent), Exploration and Bergbau (10 per cent), Voest Alpine (9 per cent) and Romania's Mineral import export (5 per cent).

More immediately exploitable are the reserves still being analysed at Mount M'Bolan, 90 kilometres east of Libreville and only 30 kilometres from the Transgabon railway. The first indications are that the reserves total 300m tonnes and the group examining the deposits are, in equal partnership, the Gabonese Government, Comilog and the French Bureau de Recherches Geologique et Minieres.

The barytes already discovered are at Mount Dorekiki, 40 kilometres along the road from Tchibanga to Mayumba. The reserves are in the region of 700,000 to 800,000 tonnes and the total cost of exploiting them was estimated in 1977 at £1.9m (CFA 1bn). There is sufficient local demand for barytes from the developing oil industry in the area to justify production of around 45,000 tonnes a year—Cameroon (30,000 tonnes), Angola (10,000 tonnes) and Gabon (5,000 tonnes).

The talc deposits are in the Mourindi-Doussala region on the banks of the River Moukalaba, north-east of Tchibanga and also at Minganga near N'dende. Although still at the pre-feasibility stage, there are estimated reserves of 30,000 tonnes which the Societe des Talcs de Luzenac has been examining for quality. A production permit has been granted for a consortium composed equally of the Gabonese Government, Bureau de Recherches Geologiques et Minieres and the Societe des Talcs de Luzenac.

Lead is being looked for near Kroussou and the early indications are of small quantities of lead. But research is continuing to justify exploitation. Gold production reached more than one tonne in the 1960s but has declined rapidly and is now only a few kilos a year. Work is now underway examining the Eleke region.

The Bureau de Recherches Geologiques et Minieres began searching for diamonds again in 1979 with the Portuguese company SPE in the regions of Nitzic and Makongonio. Copper and molybdenum are being looked for in the north east of Gabon and in 1980 deep soundings were taken without revealing any significant deposits.

هكذا من الأصل

INTERNATIONAL COMPANIES and FINANCE

$100m floating rate note for Australia mines group

BY OUR EUROMARKETS STAFF

MIM HOLDINGS, the Australian mining concern, introduced a new technique to the Eurobond market yesterday with the launch of a $100m floating rate note issue which is the first to be sold on a tender basis.

The seven-year issue—led by BA Asia, the Hongkong merchant banking arm of Bank of America—bears conventional conditions in that interest will be paid at a ¼ per cent margin over the six-month London interbank offered rate.

But the selling technique follows a more typical domestic Australian pattern in that a tender panel of 22 banks and investment houses will be invited to bid for the notes on a yield basis.

The assumption is that they will be able to place the notes at a lower yield than that actually paid, thus earning a profit on the placement which substitutes for the normal selling group discount.

Holders of the notes will be entitled to resell them at par to managers of the issue at each six monthly interest date.

Any notes ceded in this way will be offered again to the public through the tender panel.

The issue thus bears some of the hallmarks of a Euro-commercial paper borrowing in which investors have the advantage of holding what amounts to a liquid short-term investment. For MIM itself the cost of selling the notes should be lower than that normally expected on a floating rate issue.

Elsewhere, Illinois Power came to the market with a $50m seven-year note with an indicated 14.5 per cent coupon to be fixed finally by May 18. Lead manager is Credit Suisse First Boston.

The market, despite some recovery from early losses, ended a quiet day slightly down by between ½ and ¼ a point.

In the D-mark foreign bond sector, prices were down about ½ point in quiet trading. Bowater came to the market for the first time with a DM 50m seven-year bond bearing an indicated price of 99½ and coupon of 8¾. Lead manager is BHF Bank.

The European Investment Bank came to the Dutch domestic market with a Fl 200m 10-year note carrying a 10 per cent coupon. The Irish Government is seeking a private placement of up to Fl 75m in five-year notes carrying a coupon of 10.5 per cent issued at par. Lead manager is Algemene Bank Nederland.

Mobil, the second largest U.S. oil company, is planning to raise $500m through a three tranche issue in the Eurobond market. The issue, which reflects th eneed to finance major investment despite a fall in profits, comprises a $150m two year tranche with a coupon of 13½, a $250m three year tranche with a coupon of 14 per cent and a $100m, 13⅞ per cent four year tranche. The bonds are all priced at par and will be placed on a semi-private basis through UBS (Securities)

ITT first quarter dip held in check

By Our New York Staff

INTERNATIONAL Telephone and Telegraph's earnings continued to decline through the first quarter of 1982, because of the strength of the dollar and recessionary pressures worldwide.

Net income fell to $163m, compared with $184m a year ago before an extraordinary charge.

Mr Rand Araskog, ITT's chairman, said yesterday, however, the results were better than expected.

"We are in a good position to capitalise on any upswing in the economy," Mr Araskog said. "We look forward to an economic recovery in the latter part of the year, not a quick bounce back but a slow and gradual upturn."

Income from the telecommunications and electronics division rose $25m in the quarter, mainly because of the sale of an additional 10 per cent stake in Standard Telephones and Cables of the UK. This brought an after-tax profit of $38m, much of which was reflected in the results of this division.

Telecommunications equipment units in West Germany, Belgium and the Middle East benefited from higher volumes and lower manufacturing costs. These gains were partly offset by increased losses in domestic telecommunications switching operations and restructuring costs in Spain. Income on the engineered products side fell $4m. But ITT said there were indications of a recovery in the automotive market.

Income was also down on the insurance and finance side, mainly because last year's figures were inflated by a profit on a big property sale. A deterioration in domestic casualty underwriting in the latest period was principally offset by improved life insurance operations in the U.S. and Europe.

Earnings per share in the quarter fell from $1.25 before the extraordinary gain, to $1.10.

● The French Government has agreed to a schedule that would provide a preliminary accord on the nationalisation of ITT's French telecommunications assets by June 30 and a final accord by July 31.

Richard Lambert interviews Mr James Lesch, chairman of Hughes Tool

U.S. oil drilling recovery 'in sight'

HUGHES TOOL, the oilfield supplies company, believes the recent sharp fall in U.S. oil drilling activity will end this month.

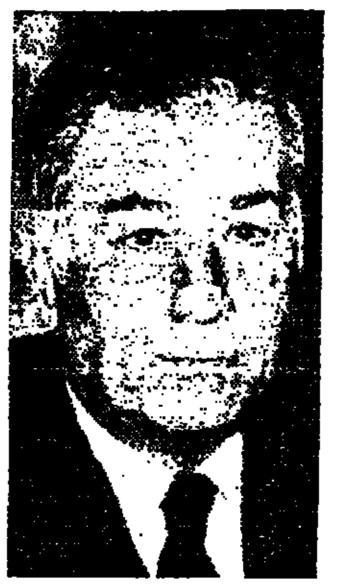
Mr James Lesch, chairman, says that after a period of consolidation, drilling activity could recover strongly in the closing months of the year.

Overall, Hughes projects an average of 3,800 rigs running in 1982, down 4.3 per cent from last year's 3,969. The least efficient operators are the first to pull out, so the fall in the total footage drilled this year is expected to be a more modest 1.9 per cent.

These figures are much worse than Hughes had been expecting until recently. Its annual report forecasts a 9 to 10 per cent increase in domestic footage drilled from last year's record level. But the number of active drill rigs has slumped from a peak of 4,530 last December to only a little over 3,200 at present, forcing Hughes to lower its expectations significantly.

Mr Lesch said that apart from the usual seasonal decline in the first quarter, the downturn stemmed mainly from lower oil prices. Hughes now assumes an average world oil price of about $28 a barrel this year, compared with an erlier figure of $30.

Drilling funds were no longer pulling in big money from Wall Street and Europe. Although most of the oil majors were maintaining a high rate of exploration work, some were holding back in order to drive down the cost of equipment. In marked contrast to last year's boom conditions, when there were severe shortages of some supplies, the drillers were in a buyer's market, he said.



Mr James Lesch

The drilling industry is having an even rougher time in Canada, where the number of rigs running this year is expected to average 220, down by more than 16 per cent from 1981. In the rest of the non-communist world, the number of rotary rigs in operation is expected to average 1,562, up 12.3 per cent from last year's average of 1,391.

Hughes, and others in the industry, think the oil price has already started to strengthen. Mr Lesch said that the Opec countries had shown their determination to rein in output, oil inventories were likely to be in better balance by the mid-year, and U.S. demand could recover along with the economy in the second half of the year.

For the longer term, Mr Lesch argued that in order to maintain present levels of oil and gas production through the decade, U.S. companies would need to increase the footage drilled each year to an annual level of about 760m feet by 1990. This compared with a forecast of just 361m ft in 1982.

Hughes has a vested interest in these numbers. Oilfield tools and equipment account for about half its sales. It claims to be world leader in oilfield rock drilling bits, with a market share of nearly 40 per cent.

Until the company was sold to the public for $143m by the late Howard Hughes in 1972, its surplus cash was largely siphoned off to finance its owner's little hobbies—like buying casinos, producing motion pictures, or experimenting with aircraft.

But in the last 10 years it has diversified into oilfield services as well as into the production of oilfield production tools.

Hughes claims that in 1979, the latest year for which final numbers are available, it captured $2.48 out of every $100 spent on drilling and production in the U.S. up from $1.24 in 1972. Its estimates for 1981 suggest that this share has risen to $2.62 out of every $100.

With the help of this broader product base, Mr Lesch hopes that net income this year will be higher than 1981's $255m, in spite of the expected fall in overall drilling activity.

WORLDWIDE PETROLEUM ROCK BIT INDUSTRY

MARKET SHARES (per cent)	
Hughes Tool	36.5
Smith International	30.7
Baker International	15.8
Dresser Industries	14.9

Source: Paine Webber Mitchell Hutchins

Humana to seek London listing

BY DAVID LASCELLES IN NEW YORK

HUMANA, THE most profitable of the fast-growing U.S. hospital management companies, is to seek a listing on the London Stock Exchange.

Mr David A. Jones, chairman and chief executive of the Kentucky-based company, said that Humana would need substantial amounts of capital to finance its rapid growth, and wanted to strengthen its access to all major sources of funds.

He estimated that Humana would need to borrow about $1bn over the next five years. About $400m of this would be used to build hospitals with another 5,000 beds and $600m to upgrade Humana's present capacity of 89 hospitals with 16,500 beds.

Humana, which was cofounded by Mr Jones about 20 years ago, has been a high-flying stock on the New York Stock Exchange, thanks to its leading position in what has come to be seen as a glamour industry. Revenues have increased more than fivefold since 1977 to $1.7bn in the last fiscal year, and earnings per share have gone up nearly six times over the same period to $1.55.

Humana's shares were trading for about $2 apiece in 1977, and reached more than $36 last year (adjusted for stock splits), though recently they have fallen back in the bear market to the mid-20s.

The growth of the U.S. hospital business is linked to the booming sunbelt where much of it is located. But it is also virtually recession-proof: people fall ill whatever happens to the economy.

Humana's dividend policy is to pay out 25 per cent of profits. Mr Jones is reluctant to make any firm earnings forecast, but he predicts that revenues could rise to between $4bn to $5bn over the next five years, an increase of about two and a half times last year's revenues, which yielded profits of $93.2m.

Loews sees tough year after early setback

BY OUR FINANCIAL STAFF

OPERATING profits fell sharply in the first quarter of this year at Loews Corporation, the New York-based diversified group.

The group's interests range from property and casualty insurance through Lorillar cigarettes to Bulova watches, hotels and theatres, and consumer finance.

Operating net dropped from $75.4m or $5.81 a share to $45.1m or $3.64 a share, on revenues of $1.15bn against $1.20bn.

The board said that last year's operating total excluded a loss of 30 cents a share from discontinued operation, but included a gain of $3.02 from the sale of hotel property. The 1981 results were also restated to reflect adoption of FASB 52 accounting methods.

Mr Laurence A. Tisch, chairman and chief executive, said: "This year will be a more difficult year in most of our businesses." Revenues and overall income would be down

In 1981, the company had net income of $253.2m or $19.79 a share on revenues of $4.78bn.

In the past few years, earnings at Loews have leaned heavily on the contribution from Lorillard cigarettes, which brought in about two-thirds of the total in 1980. Property-casualty insurance was another major earner (18 per cent) and the hotels division, operator of 14 hotels in Bermuda, the UK, Monaco, the Bahamas and Canada, was responsible for about 18 per cent.

CNA Financial, the 84 per cent-owned insurance subsidiary, also holds the group's interests in consumer finance which, although small in terms of group turnover, have turned in as much as 10 per cent of profits.

About 40 per cent of the group's equity is held by the Tisch family, and major investment institutions hold a further 31 per cent. Net income was rising sharply throughout the 70s but stalled in 1979-80.

Pan Am chief forecasts return to profitability

BY OUR FINANCIAL STAFF

SHAREHOLDERS of Pan American World Airways were told by Mr C. Edward Acker, chairman, that he saw "no reason why Pan Am will not return to profitability — if not this year, then by the end of 1983."

He told the annual meeting in Houston that Pan Am was encouraged by the results of its recent marketing efforts. The airline's new promotion allows children to fly free if accompanied by one adult paying full fare.

The company expected a substantial operating profit for the third quarter. This year's third quarter would show improvement because labour costs in the quarter would be about $45m lower than last year.

Mr Acker also forecast "good" increases in air traffic and a better revenue yield on flights because of less fare-cutting.

In fiscal 1981, Pan Am turned in a deficit of $3.51 a share on a loss from continuing operations of $250m with revenues at $3.8bn.

Some recovery has been expected for the current year, with the help of increased revenue foreseen throughout the industry.

The basis for these brighter hopes is the prospect of an end to the U.S. recession, and success by the company in lifting its share of domestic markets.

Among the measures taken to improve the group's financial strength have been the sale for $500m of the International Hotel division to Grand Metropolitan of the UK, and acceptance by the staff of a 10 per cent wage cut.

Pan Am takes about 12 per cent of its revenues from its hotel and contract services, both of which have remained profitable in the past few years.

But the damage from the airlines business, which makes up more than 80 per cent of the group's revenues, has proved destructive to the earnings pattern.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday June 16. Closing prices on May 11

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97 ...	150	102⅛	102⅝	0	+1	14.75
Amax Int. Fin. 16¾ 92	75	103½	104	−0¼	+1½	15.46
Amax O/S Fin. 14⅛ 89	75	97⅞	98⅜	−0¼	+0½	14.74
APS Fin. Co. 16½ 89 ...	75	103⅞	104⅜	−0¼	+0⅛	15.23
Armco O/S Fin. 15⅜ 86	50	100½	101	−0½	+0½	15.05
ATT 14¾ 89	400	101⅞	102⅜	−0⅛	+0⅜	13.78
Baker Int. Fin. 0.0 92	225	28⅛	28⅝	0	+1⅛	13.68
Bk. Amer. NT SA 12 87	200	92⅜	92⅞	−0⅛	−0⅛	14.24
Burroughs Int. 15⅜ 88	50	104⅞	105⅜	−0⅜	+1	14.39
Canadair 15½ 87 ...	150	101⅞	102⅜	−0⅛	+0⅛	14.81
Can. Nat. Rail 14⅜ 91	100	99⅞	100⅜	−0⅛	+1⅛	14.55
Carolina Power 16½ 89	60	105⅛	105⅝	−0⅛	+0⅛	15.12
CIBC 16 87	100	103½	104	−0⅛	+0⅛	14.82
Citicorp O/S 15 84/92	100	100⅜	100⅞	−0⅛	+0⅛	14.56
Citicorp O/S 15½ 85/97	125	101⅝	102⅛	−0⅛	+0½	14.56
CNA 15⅞ 97	75	100⅝	101⅛	0	+1	15.67
Con. Illinois 15⅜ 89 ...	100	103⅜	103⅞	−0⅛	+0⅛	14.89
Duke Pwr. O/S 15½ 89	60	101⅞	102⅜	−0⅛	+1⅛	15.03
Dupont O/S 14½ 86 ...	400	100⅞	101⅜	−0⅛	+0⅜	14.17
Dupont O/S Cap. 0.0 90	300	37⅞	38⅜	−0⅛	+1⅜	13.25
ECSC 14⅜ 87	50	99⅝	100⅛	−0⅛	+0⅜	14.72
EIB 15½ 89	150	101⅝	102⅛	−0⅛	+1⅛	15.01
Eksportfinans 14½ 86 ..	50	98½	99	−0⅛	+0⅜	14.79
Gen. Elec. Credit 0.0 92	400	30½	31	−0½	+1⅛	12.93
Gen. Elec. Credit 0.0 93	400	27⅛	27⅝	−0⅛	+1½	12.74
Getty Oil Int. 14 89 ...	125	98¾	99¼	−0⅛	+0⅛	14.23
GMAC O/S Fin. 16 86	150	102⅞	103⅜	−0⅛	+0⅛	15.16
GMAC O/S 15¼ 85/97	100	99⅛	99⅝	−0⅛	+0⅛	15.49
Gulf Canada Ltd 14⅜ 92	100	100	100½	−0⅛	+1	14.68
Gulf Oil 14¾ 94	175	99	99½	−0½	+1	14.37
Gulf Oil Fin. 0.0 92 ...	300	28⅞	29⅜	+0⅛	+0⅞	13.40
Gulf States O/S 16 90	60	100½	101	−0⅛	+1½	15.81
Int.-Am. Dv. Bk. 15⅜ 87	55	100⅛	100⅝	−0⅛	+1⅛	14.92
Japan Airlines 15¼ 88	50	101⅝	102⅛	−0⅛	+0⅛	14.72
Japan Dev. Bk. 15½ 87	50	103⅜	103⅞	+0⅛	+1⅛	14.34
Nat. West. 14¾ 91	100	101	101½	−0⅛	+1	14.46
New Brunswick 16¾ 89	75	105⅞	106⅜	−0⅛	+1⅛	14.72
OKG 15¾ 85/97	50	99⅜	99⅞	−0⅛	+0½	16.17
Ontario Hyd. 16 91 (N)	200	106	106½	−0⅛	+0⅛	14.69
Pac. Gas & El. 15¼ 89	80	103½	104	−0¼	+0⅛	14.77
Pac. Gas & El 15½ 89	45	102½	103	−0⅛	+0⅛	14.59
J. C. Penney Gf. 0.0 94	350	23⅜	23⅞	0	+2	13.05
Phillips Petrol 14 89 ..	200	97⅞	98⅜	−0½	+0½	14.50
Quebec Prov. 15¾ 89...	150	101½	101⅞	−0⅛	+0⅜	14.88
R.J. Rynlds. O/S 0.0 92	400	29	29½	0	+1½	13.40
Saskatchewan 16 89 ...	125	104½	105	−0⅛	+0⅛	14.81
Spain 15¾ 87	100	99⅛	99⅝	−0⅛	+0⅛	15.91
Statsforetag 15⅜ 87 ...	50	100⅜	100⅞	−0⅛	+0½	15.51
Sweden 14½ 88	150	96⅜	96⅞	−0⅛	+1⅛	15.29
Sw. Ex. Cr. 16½ 84/93	75	103	103½	−0⅛	+1⅛	14.72
Swed. Ex. Cred. 15⅜ 89	100	100⅛	100⅝	−0⅛	+0½	15.09
Swed. Ex. Cred. 0.0 94	200	22	22½	0	+1⅛	13.55
Transcanada 16 89 ...	100	102⅛	102⅝	0	+0½	15.38
Wells Fargo I. F. 15 87	75	101⅛	101⅝	−0⅛	+0⅛	14.51
WMC Fin. 15½ 88	50	99⅛	99⅝	−0¼	+0½	15.59
World Bank 15⅞ 88 ...	250	101⅞	102⅜	+0½	+1¼	14.64

Average price changes... On day −0⅛ on week +1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 9¾ 92	150	99¾	100¼	−0½	−0½	9.23
Australia 9⅞ 91	300	104½	105¼	0	+0¼	8.59
Australia 9¾ 91	200	104⅜	105⅛	−0⅛	+0⅛	8.57
Comp. Tel. Esp. 10½ 92	100	101⅜	101⅞	−0⅛	+0⅛	10.22
Denmark 10 88	100	103⅛	103¾	−0¼	+0⅛	9.18
Denmark 10⅛ 92	100	103½	104	−0¼	+0⅛	9.51
EDF 9⅞ 92	100	101⅞	102⅜	−0⅛	−0⅛	9.52
EEC 10⅛ 93	100	104¼	105	−0⅛	+0⅛	9.43
EEC 9¾ 94	200	102⅞	103⅜	−0⅛	−0⅛	9.28
EIB 9¾ 88	60	102¾	103	−0⅛	−0⅛	9.78
Ireland 10⅛ 86	100	102⅜	102⅞	−0⅛	+0⅛	9.40
Mexico 11 88	100	102⅜	102⅞	−0½	−0⅛	10.43
Nacnl. Financiera 11 90	150	100¼	100¾	0	−0⅛	10.88
Nat. West. 9⅞ 92	100	105½	106¼	+0⅛	+0⅛	8.93
New Zealand 9¾ 89 ...	200	104½	105	−0⅛	−0⅛	8.87
OKB 9¾ 86	150	102¾	103¼	−0¼	−0⅛	9.10
Quebec 10⅛ 92	150	106½	106¾	−0⅛	−0⅛	9.18
Quebec Hydro 10¼ 91 ..	150	105⅛	105⅞	−0½	−0⅛	9.34
Renfe 10 92	100	99⅞	100⅜	−0⅛	−0⅛	[illegible]
Tauernautobahn 9⅞ 94	50	103½	104	−0⅛	+0⅛	9.33
Venezuela 11½ 91	100	101	101½	−0⅛	−0⅛	11.25
World Bank 9½ 89	100	102⅜	102⅞	−0⅛	+0⅛	8.96
World Bank 10 91	250	105⅝	106⅜	0	+0½	9.02

Average price changes... On day −0¼ on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	60	103½	103⅞	−0⅛	+0¼	6.95
Aucalsa 7¾ 92	60	98⅞	99⅜	+0⅛	+0⅛	7.90
Australia 6½ 94	100	†104	104⅛	−0⅛	+0⅛	6.00
Cse. Nat. l'Energie 7 92	100	101½	101½	+0¼	+0⅛	6.80
CFE-Mexico 8⅜ 92	50	97½	97¾	−1½	−2⅜	8.61
Co-op. Denmark 8⅛ 92	25	104¾	105¼	−0⅛	0	7.63
Crown Zellrbch. 6¾ 92	100	102½	102¾	−0⅛	+0⅛	6.38
Denmark 7⅛ 91	100	101⅞	102⅜	−0¼	+0½	6.95
EIB 7¼ 92	100	101⅞	102⅜	0	0	6.94
Elet. de France 7 92 ...	100	101¾	102	−0⅛	−0⅛	6.72
ENEL 8 92	44	101⅜	101½	+0½	+1⅛	7.78
First City Fin. 8⅛ 92...	25	104	104½	+0⅛	+0⅛	7.61
Kommunlane 7¼ 92......	35	101⅛	101⅝	+0⅛	+0⅛	7.07
Manitoba 7 92	100	106	106⅛	−0¼	+0⅛	6.14
Mitsui OSK 6½ 92	100	100⅛	100⅝	0	0	6.43
National Pwr. Co. 8 92	30	103¼	103⅝	+0⅛	−0⅛	7.48
Nippon T. and T. 6⅝ 92	100	103¼	103¾	0	+0½	6.13
OKB 8⅜ 92	100	104⅝	104⅞	+0⅛	+0⅛	7.06
Ost. Donaukraft 7 92...	100	103	103½	0	−0⅛	6.55
Ost. Postspar 7½ 92 ...	100	103½	103⅞	0	0	6.97
Philip Morris 6⅝ 92 ...	100	103⅝	103⅞	−0½	0	6.11
Quebec 7⅜ 92	100	105	105¼	0	+0⅛	6.64
Sekisui Pre. 5¾ 92 WW	70	105⅞	106	+0⅛	+0⅛	4.99
Soc. Lux. de Cnt. 8⅜ 92	80	105½	105¾	+0⅛	+1	7.18
Transcanada Pipe. 7 94	100	105	105½	0	+2⅛	6.35
Vorarlberg Kraft 6¾ 92	50	102¾	103	0	+0⅛	6.35

Average price changes... On day −0⅛ on week +0¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¼ 91	15	100¾	101¼	0	+0½	8.04
Int.-Amer. Dev. 8⅞ 91	15	102¼	103¼	0	0	8.43
Japan Airlines 7⅞ 87...	9	97⅞	98⅜	+0⅛	+0⅛	8.39
New Zealand 8⅜ 87 ...	15	101⅛	102⅛	0	0	7.97
World Bank 8⅜ 92 ...	20	100⅜	101½	0	0	8.25

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Pac. S. 16⅛ 89 C$	50	†99¼	99¾	0	+0½	16.48
Crd. Foncier 17¼ 89 C$	30	†99½	100	+0¼	+0¼	17.18
Hudson Bay 17 89 C$...	40	†100⅛	100⅝	0	0	16.86
Montreal 17 89 C$	50	†102	102½	0	+0½	16.39
Queb. Hydro 16½ 89 C$	50	†99⅞	100⅜	+0⅛	+0⅜	16.43
Quebec Prov. 17 89 C$	60	†102¼	102⅞	+0⅛	+0⅜	16.22
Simpsons 16⅜ 89 C$ ...	40	†96¾	97¼	−0⅜	+0⅜	17.52
U. Bk. Nwy. 9½ 90 EUA	18	89½	90½	−0½	−0⅛	11.49
Algemene Bk. 10⅛ 86 Fl	60	101⅛	101⅝	+0⅛	+0¼	9.78
Amfas Group 12¾ 86 Fl	40	105⅞	106⅜	−0⅛	+0⅞	10.44
Amro Bank 12 86 Fl ..	60	106⅛	106⅝	0	+0⅜	10.12
Phil Lamps 10½ 87 Fl	100	100⅞	101⅜	0	+0⅛	9.97
Pierson 10⅛ 86 Fl	50	100⅜	100⅞	0	+0⅜	10.02
Rabobank 12 86 Fl ...	50	106⅜	106⅞	0	+0½	9.94
OKB 14 86 FFr	400	91¾	92¾	+0¼	+0⅛	16.87
Solvay et C. 14¾ 86 FFr	200	92⅜	93⅜	+0¼	+0⅛	17.39
Acona 14 85 £	20	94⅞	95⅝	+0⅛	+0½	15.80
Beneficial 14¼ 90 £ (D)	20	86⅞	87⅞	+0⅛	+0¼	17.10
BNP 13½ 91 £	15	91¼	92¼	+0¼	+1⅛	15.23
CECA 13½ 88 £	20	94¼	95¼	+0⅛	+0⅜	14.76
Fin. Ex. Cred. 13⅜ 86 £	15	95⅛	96⅛	+0⅛	+0⅞	15.11
Gen. Elec. Co. 12½ 89 £	50	92⅞	93⅜	0	+1	14.17
Hiram Walker 14⅜ 86 £	25	96⅞	97⅞	0	+0⅜	15.16
Privatbanken 14⅛ 88 £	12	93⅜	94⅜	+0⅛	+0¼	16.09
Quebec 15½ 87 £	35	103	104	+1⅛	+2½	14.42
Reed (Nd) NV 16⅜ 89 £	25	102⅛	103⅛	+0½	+1	15.92
Royal Trustco 14 86 £	12	97⅛	98⅛	0	+0⅞	14.71
SDR France 15½ 92 £...	30	99⅜	100⅜	+0½	+1⅛	15.50
Swed. Ex. Cr. 13¾ 86 £	20	97⅜	98⅜	+0¼	+0⅜	14.47
Eurofima 10½ 87 LuxFr	500	96¼	97¼	+0⅛	−0⅜	11.30
EIB 9¾ 88 LuxFr	600	94⅛	95⅛	+0⅛	−0⅜	11.04

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98⅞	99⅛	15/10	15.69	15.87
Bank of Montreal 5¼ 91	0⅛	98⅞	99⅛	29/10	15⅛	16.22
Bk. of Tokyo 5¼ 91 (D)	0⅛	98⅞	99⅛	10/6	13¼	13.40
Bk. Nova Scotia 5¼ 93	0⅛	99¼	99½	29/10	15⅛	15.22
BFCE 5¼ 88	0¼	99½	100	28/10	15	15.04
BFCE 5⅛ 87	0⅛	99½	100	27/7	16¼	16.29
Caisse Nat. Tele. 5¼ 90	0⅛	99⅜	99⅞	21/4	15⅝	15.81
CCCE 5¼ 2002	0⅛	98⅞	99⅛	11/5	14.82	14.99
Co-San Eurofin 5½ 91...	0¼	99⅛	99⅜	14/10	16	16.10
Credit Agricole 5¼ 97...	0¼	99⅛	99⅜	24/9	15.44	15.53
Credit Lyonnais 5¼ 97...	0¼	99⅛	99⅜	1/10	16	16.10
Credit Nat. 5⅛ 94	‡0¼	98¾	99	9/6	14.69	14.89
Denmark, Kngdm. of 92	0⅛	†98⅞	99⅛	25/8	15.44	15.56
Den Norske Cred. 5½ 93	0⅛	97¾	98¼	4/6	13.56	13.84
Genfinance 5¼ 92	0⅛	99⅝	100⅛	30/6	15½	15.52
Ind. Bank Japan 5¼ 88	0⅛	99¼	99½	12/11	14½	14.59
Lloyds Eurofin 5⅛ 93 ..	§0⅛	99⅛	99⅜	29/4	17.13	17.24
LTCB Japan 5¼ 89	0¼	99⅛	99½	16/7	15.31	15.41
J. P. Morgan 5¼ 97......	§0⅛	99⅛	99⅜	12/5	5⅛	5.28
Nat. West. Fin. 5½ 91...	§0⅛	99¼	99¾	16/7	15.19	15.26
New Zealand 5⅛ 87......	0⅛	99⅛	99⅜	7/10	16.56	16.64
Nippon Credit 5⅛ 90 ...	0⅛	99⅛	99⅜	10/8	16.06	16.14
Nordic Int. Fin. 5½ 91...	0¼	98⅞	99⅛	6/11	15⅜	15.40
Offshore Mining 5⅛ 91	0⅛	98⅞	99⅛	2/6	13	13.13
PKbanken 5 91	0⅛	98⅞	99⅛	17/6	14⅛	14.50
Scotland Int. 5⅛ 92......	0⅛	98⅞	99⅛	23/9	16⅛	15.51
Sec. Pacific 5⅛ 91	0⅛	99	99½	24/5	13¼	13.35
Societe Generale 5½ 95	0⅛	99	99½	1/9	15.31	15.43
Standard Chart. 5⅛ 91	0⅛	98¾	99⅛	18/5	13.31	13.45
Sumitomo Fin. 5½ 88 ...	0⅛	99½	100	9/8	16	16.04
Sweden 5⅛ 89	0¼	99⅛	99½	26/8	15.31	15.41
Toronto Domin'n 5¼ 92	0⅛	99⅜	99⅞	11/8	16⅜	16.44

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96.........	7/81	933	90	91½	−1⅛	0.66
Bow Valley Inv. 8 95 ...	4/81	23.12	96½	98¼	+0⅛	53.72
Bridgestone Tire 5½ 96	3/82	470	91⅜	92⅞	−0¼	−2.55
Canon 6¼ 95	1/81	829	104⅞	106⅞	+0¼	3.48
Daiwa Secs. 5½ 96	12/81	513.3	†69	71	0	−3.53
Fujitsu Fanuc 4½ 96	10/81	5641	95⅜	97⅛	−1⅛	5.22
Furukawa Elec. 5¼ 96...	7/81	300	99	100½	−2½	−6.51
Hanson O/S Fin. 9½ 96	8/81	1.36	†88	89	+2	−7.86
Hitachi Cable 5¼ 96	2/82	515	89⅞	91⅜	−0½	−0.81
Hitachi Cred. Cpn. 6 96	7/81	1612	85	87	+0½	3.36
Honda Motor 5½ 97......	3/82	841	89⅛	90¼	+0¼	−1.64
Inchcape 8 95	2/81	4.55	†63½	65	0	21.32
Kawasaki 5⅜ 96	9/81	229	73	74½	−0⅜	0.44
Marui 6 96	7/81	846.4	104⅜	106⅛	+0⅛	3.24
Minolta Camera 5 96...	10/81	826.4	65	66½	−0½	7.05
Minorco 9¼ 97	5/82	8.16	†86	87½	+0½	15.00
Murata 5¼ 96	7/81	2168	64⅛	65⅞	−1⅛	13.15
NKK 6½ 96	7/81	188	84⅞	86⅜	−1⅛	−13.31
Nippon Chem-C. 5 91...	10/81	919	68	70	−0½	5.95
Nippon Electric 5¼ 97...	2/82	846	97⅛	98¼	−0¼	5.87
Orient Finance 5¼ 97 ...	3/82	1205	95	96½	−1⅛	1.75
Sanyo Electric 5 96......	10/81	652	71¼	72¾	−1⅛	4.72
Sumitomo Elec. 5½ 97...	3/82	577.3	90½	92	−0⅜	−1.53
Sumitomo Met. 5⅛ 96 ..	10/81	296.1	69⅝	71⅛	−0⅛	14.15
Swiss Bk. Cpn. 6⅛ 90...	9/80	191	75	77	0	20.76
Konishiroku 6 90 DM ...	2/82	585	103⅛	104⅜	−0¼	2.44
Mitsubishi H. 6 89 DM	2/82	263	95	96¼	+0⅛	9.93

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Sharp drop at Handy and Harman

By Our Financial Staff

HANDY AND HARMAN, a leading U.S. refiner and processor of silver and other precious metals, announced a sharp drop in first quarter earnings.

Profits were more than halved at $3.11m or 23 cents a share compared with $7.16m or 56 cents a share in the same period last year. Revenues also slipped from $160.8m to $128m.

The company blamed the U.S. economic climate as the main factor behind the fall.

Last November, the directors abandoned plans to liquidate the company. They were seeking a way in which shareholders might be able to realise a portion of the market value of the company's precious metals stocks, but found this impossible without incurring tax on the gain at the corporate level.

In February this year, Handy and Harman acquired for $9.5m cash O & M Manufacturing, a unit of Bangor Punta Group, which makes industrial radiators used mainly in packaged power components.

Gulf Oil reduces capital spending

By Our Financial Staff

GULF OIL believes its total capital and exploration expenditure in 1982 will be about $4bn, Mr James E. Lee, chairman, told the annual meeting here.

The company had estimated in January that total 1982 capital spending would be about $4.5bn. In 1981, capital spending totalled $4.33bn.

The reduced 1982 spending estimate reflected the fact that "with less cash coming in this year than we had anticipated we have had to take a hard look at our capital programme, including expenditures for exploration," said Mr Lee.

Gulf Oil was still continuing its aggressive exploration efforts, and would be "looking harder in frontier areas for the big finds."

The company was working to streamline and tighten up its refining and marketing operations. It was determined to further reduce investment in the European downstream markets in order to redeploy assets in more profitable areas, said Mr Lee.

Earnings doubled at Fiat despite heavier car loss

BY JAMES BUXTON IN TURIN

FIAT SPA, the holding company of Italy's largest private enterprise, yesterday confirmed its partial recovery with the announcement of a near doubling of net profits, to L97bn ($76m) in 1981 from L51bn in 1980.

The group, whose turnover equalled $17.3bn is expected to report a modest operating profit — after three years of operating losses — when its first consolidated balance sheet is produced later this year.

The holding company is to pay a slightly increased dividend of L140 a share, against L125 for 1980.

Even so ,the largest subsidiary, Fiat Auto, closed with an increased loss of L254.5bn. Of this, however, all but L4.5bn resulted from large losses incurred in Brazil and Argentina, where the market fell by about 40 per cent. The loss in 1980 was L130.4bn. Provisions for depreciation of more than L300bn were recorded for 1981.

Fiat's steel factor, concentrated in the subsidiary Teksid, also increased its loss for 1981 to L78bn, against L43.4bn in 1980. The 1981 figure does not take account of capital gains of L90bn.

The earth-moving equipment division, represented by Fiat-Allis, remained in the red, with a loss of L20.4bn, mainly because of the unsatisfactory performance of its U.S. division.

On the other hand, Iveco, the industrial vehicles division, returned to profit, with earnings of L27.3bn, after a succession of losses. Despite a weak market turnover rose by 3.2 per cent, with sales outside Europe rising by 37 per cent.

Fiat's debt, having increased by 26 per cent in 1980 to L7,250bn, rose only marginally to L7,500bn in 1981.

Investment rose to L1,128bn from L960bn in 1980. The labour force was reduced by nearly 20,000 to around 315,000 as a result of early retirement schemes and other measures.

Fiat, however, paints a relatively gloomy picture of its immediate prospects in the vehicle market. There was no real improvement in car sales in the first quarter of 1982, and Iveco's commercial vehicles sales were down.

Bayer reduces capital spending

BY KEVIN DONE IN FRANKFURT

BAYER, one of the big three West German chemicals companies, is cutting capital spending following the completion of an ambitious three-year expansion programme.

Bayer's capital expenditure in 1982 is expected to total around DM 2.1bn ($917m) compared with DM 2.5bn in 1981, DM 2.66bn in 1980 and DM 2.24bn in 1979.

In the face of recession in both the home and important foreign markets, Bayer plants were working at 75 per cent of capacity in the first quarter of 1982 and the group sees little sign of an early recovery in demand.

The group's turnover worldwide showed an increase of just 4.1 per cent in the first quarter —to DM 8.76bn from DM 8.4bn a year earlier.

The parent company achieved only a 4 per cent increase in sales in the quarter to DM 3.8bn. The marginal rise in turnover was possible only because of higher product prices: volume sales fell below the level of the first quarter last year.

Dr Herbert Grunewald

Bayer, which is led by Dr Herbert Grunewald, is meeting increased difficulties in pushing through price increases in order to recoup fully mounting raw materials and labour costs, with the result that profit margins were further reduced in the first three months. Parent company pre-tax profits were down by 2.4 per cent, to DM 240m from DM 246m.

Last year Bayer turnover worldwide showed an increase of 17.1 per cent to DM 33.7bn, but group pre-tax profits fell by 10.3 per cent to DM 1.4bn. The group continued to run up losses on its fibres operations and its Metzeler rubber and plashtics products subsidiaries. Amateur photographic products were also in the red.

Of the capital spending, about 60 per cent has gone to modernising and expanding capacities in West Germany, with the remainder going abroad, chiefly to North America, West Europe and Latin America.

Foreign investment has been concentrated on building new capacities, chiefly for plastics, pharmaceuticals, agricultural chemicals, inorganic pigments and fibres. Domestic spending has been mostly on high-value speciality chemicals, pharmaceuticals and agro-chemicals.

Expenditure on research and development rose by 13.3 per cent last year to DM 1.4bn.

Volvo plans offering of STC shares

By William Dullforce in Stockholm

VOLVO, the Swedish industrial group, plans to offer its shareholders 25 per cent of the stock in Scandinavian Trading Company (STC), the oil trading concern it acquired when it took over the Beijerinvest group last year. The offer is unveiled in the prospectus published yesterday for the one-for-five rights issue announced by Volvo earlier this year.

Volvo says in the prospectus that earnings this year should be at least on the same level as that achieved in 1981. Last year it turned in a pre-tax profit of SKr 1.4bn ($241m) and an adjusted return of SKr 24 a share on a turnover of SKr 48bn.

The rights issue will generate SKr 558m in new capital. The shares are being offered at SKr 100 each against SKr 140 on the Stockholm exchange. Volvo's share capital will grow by SKr 279m to SKr 1.67bn.

The reinforcement in equity is called for by the group's expanding international operations. The prospectus foresees the need for "strategic acquisitions of companies" abroad as well as for other investments outside Sweden.

Volvo holds about 85 per cent of the stock in STC, the rest being held by its employees. It plans to divide STC's share capital of SKr 279m into 14m shares by a five-for-one split, giving the new shares a nominal value of SKr 20 each.

Volvo's shareholders will be offered about a quarter of the stock at SKr 45 a share, which would bring in about SKr 157m and values STC at SKr 630m. STC will apply for a listing on the Stockholm stock exchange in the autumn.

Last year STC generated earnings of SKr 133m on a turnover of just under SKr 19bn.

D G Bank to pass dividend

By Stewart Fleming in Frankfurt

D G BANK, the central bank of West Germany's powerful co-operative banking sector, will not pay a dividend for 1981, the first time in the post-war period that it has passed a dividend.

The bank, which is controlled by the 4,200 co-operative banks in West Germany, disclosed yesterday that its parent company net profits fell from DM 48m to DM 40m ($17.5m) in 1981. Group profits were down from DM 69.4m to DM 52.4m.

DG Bank said the earnings would be used to strengthen its published reserves and equity capital. They had been struck after putting aside extensive reserves against possible loan losses.

Herr Helmut Guthardt, the chief executive, has in the past stressed that one of the bank's prime functions is to serve as a liquidity manager for its regional co-operative bank owners rather than only to maximise its earnings.

Lucas Bols sees declining sales

By Our Financial Staff

LUCAS BOLS expects a decline in the sales of distilled drinks. The Dutch distiller, which markets drinks in most of the major European markets as well as in Argentina and Brazil, said profit growth in the future would probably have to come from the exploitation of new markets or takeovers rather than higher sales in traditional markets.

Bols earned Fl 45.4m ($18m) in 1981, or Fl 9.20 per share, up 5 per cent from Fl 43.3m a year earlier. The company proposes a Fl 4 dividend, against Fl 3.64.

Bols said it did not consolidate the results of its Argentinian subsidiary because of distortions caused by frequent devaluations of the peso.

The pressures on profits are reflected by the fact that group gross margins last year fell below those of 1978.

Norwegian banks told to cut customer charges

BY FAY GJESTER IN OSLO

NORWEGIAN banks, which have been charging customers more than the government approved rate of interest, have been told that they must bring their charges into line with the prescribed maximum.

The adjustments will hit profits of banks whose charges have been significantly above the government guidelines. This includes quite a few small and medium-sized commercial banks.

The two largest commercial banks, Den norske Creditbank and Christiania, have stayed within or just above the limit. Bergen Bank, the third largest, will not reveal what its position is, but says it will not be lowering charges.

The Bank of Norway's note included an official estimate of each bank's average interest rates at end 1981. The new rules limiting interest charges were announced in the second half of January. They took the market by surprise, because bankers had hoped that a Conservative government would allow them greater leeway.

The Government wants to keep interest rates low as part of its anti-inflation drive, but the banks say the ceiling on charges hurts their profit margins and discourages savings. The chairman of the commercial banks association warned recently that the banks "might find it difficult" to keep charges below the ceiling unless the Government tackled the basic cause of Norwegian inflation—namely its own, over-expansive fiscal policies.

Mr Rolf Presthus, the Finance Minister, replied that if the banks did not voluntarily stay inside government guidelines, tougher restrictions would be introduced.

ENI offshoots unveil strong profits growth

BY RUPERT CORNWELL IN ROME

SAIPEM and Snamprogetti, respectively the oil pipeline and plant processing subsidiaries of ENI, the Italian energy agency, have turned in substantial profits for 1981, in stark contrast to the overall performance of the group, which last year had losses of L850bn ($665m).

Saipem, headed by Sig Enrico Gandolfi who in March took over as special commissioner in charge of ENI itself, reported doubled earnings of L30bn ($24m) in 1981, on group sales 20 per cent higher at L868bn.

Total orders of the concern, which is heavily involved in the North Sea and the trans-Mediterranean pipeline which will bring Algerian gas to Italy and Western Europe, now stand at L3,000bn. A further expan-

Successful results have also been achieved by Snamprogetti, despite the general economic slowdown, and the cancellation of orders as a result of a drop in demand for crude oil.

Sig Giovanni Molinari, the group president, told the annual meeting yesterday that both profits and turnover advanced last year, to L3.3bn from L6bn, and to L558bn from L73bn respectively, and that the company's total order book expanded by L842bn during 1981 to stand at L3,481bn.

The current year promises further progress. Sig Molinari revealed that Snamprogetti had recently secured an order for a new petrochemical complex from Bahrain, which he said was the biggest foreign order won thus far in 1982 by an Italian contractor.

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Buoyant year for leading Japanese credit groups

BY YOKO SHIBATA IN TOKYO

JAPAN'S LEADING consumer credit companies, Nippon Shinpan and Orient Finance, have reported buoyant earnings for the year ended March. The growth reflects the rapid expansion of operating outlets and the development of new products with higher charges. These actions were made to help cope with the incursion of bank-affiliated credit card companies into the consumer credit market following the Ministry of Finance's recent revision of banking laws.

Growth was also attributed to lower funding costs as a result of a series of discount rate cuts in the past year.

Nippon Shinpan, Japan's largest consumer credit company, lifted full year unconsolidated operating profits by 66 per cent to Y16.19bn ($70.4m). Net profits were Y7.11bn, up by 50 per cent, on operating revenues of Y91.62bn up by 23.5 per cent.

Profits per share advanced to Y37.35 from Y35.8. The dividend is Y.15 higher at Y7.5.

Nippon Shinpan's credit advances reached Y1,165.67bn ($5bn), up 49 per cent. Advances of the sales financing division, representing 79.1 per cent of the total rose by 48 per cent with a major contribution from automobile financing.

For the current year Nippon Shinpan expects to make advances totalling Y1,600bn, an increase of 40 per cent by placing a major emphasis on higher priced items such as automobiles and housing.

Nippon Shinpan forecasts operating profit of Y18.5bn, up by 15 per cent, and net profits of Y7.8bn, up 10 per cent. The company's foreign shareownership at the end of March stood at 22.3 per cent.

Orient Finance, the second largest consumer financing company in the country lifted operating profits by 82 per cent to Y16.03bn. Net profits were 76.5 per cent higher at Y7.25bn on operating revenues of Y80.81bn, up 50.8 per cent.

Per share profits rose to Y50.42, from Y43.81 and the dividend is Y0.5 higher at Y9.

Orient Finance's total contracts last year reached Y650bn, up 60.1 per cent. A major contribution came from loan guarantees which rose by 119.2 per cent to account for 32.4 per cent of the total.

The company's main business —sales finance—improved by 33.9 per cent to account for 61.3 per cent of total contracts.

Earnings growth was attributed to sales finance and personal loan activities and lower funding costs.

For the current year Orient Finance says that contract value will rise 39.3 per cent to Y1,350bn. Operating profits are expected to reach Y22bn, up 37.2 per cent and net profits Y10.2bn, up 35.6 per cent, on operating revenues of Y11.5bn, up by 38 per cent. The company plans to open 24 new outlets against 22 in the past year to make a total of 168.

Nampak warns of slower growth

By Thomas Sparks in Johannesburg

NAMPAK, the South African packaging manufacturer which is part of the Barlow Rand group, maintained a steady advance for most of the six months ended March 31. On a Lifo (last-in-first-out) accounting basis, pre-tax profit rose by 29.1 per cent to R41.4m ($39m) from R32.1m a year earlier, on a comparable accounting basis.

Lifo accounting was adopted at the start of the current year. On a Fifo basis (first-in-first-out) pre-tax profit for the year ended September, was R80.3m.

First-half turnover was R289.4m against R214.4m in the first half of the previous year and R459m in the year ended September.

First-half figures seen by themselves may provide a misleading view of near-term prospects, Mr Bas Kardol, executive chairman, warns. There was a marked fall in business towards the end of the first six months. He expects the economic downturn to persist well into 1983. Because of this, he does not expect Nampak to maintain the rate of earnings growth.

The interim dividend has been increased to 28 cents from 25 cents a share while first half earnings per share—calculated on a Lifo basis—increased to 68 cents from 59 cents. The year ended September resulted in a total dividend of 54 cents and earnings — calculated on a Fifo basis — of 146 cents.

Profits before tax at Multi-Purpose only just ahead

BY WONG SULONG IN KUALA LUMPUR

THE FAST-EXPANDING Malaysian investment group, Multi-Purpose Holdings, has turned in pre-tax profits of 24m ringgit (U.S.$10.5m) for the year ended December 1981.

Although the profit was higher than the forecast of 19m ringgit made when the group received a stock exchange listing in January, it was only 2 per cent higher than the figure for 1980.

A higher tax charge, and lower earnings from the sale of investments meant that attributable profits fell to 12.8m ringgit, compared with 42m ringgit in 1980.

Once again, Multi-Purpose is not paying dividends so as to conserve funds for expansion.

The group, which is the investment arm of the Malaysian Chinese Association, the Chinese party in the coalition government, has a diversified range of interests, including plantations, property, banking, insurance, and trading.

Set up six years ago, with a paid-up of 30m ringgit, it has expanded rapidly and currently has a paid-up of 380m ringgit, and a market capitalisation exceeding 1.2bn ringgit.

Meanwhile, the group's 42 per cent owned property associate company, Bandar Raya Developments, has turned in an impressive performance, with pre-tax profits rising by more than 100 per cent to a record of 19.5m ringgit.

The results are in line with earnings of other property companies in Malaysia, and reflect the fact that the construction sector is still buoyant despite the slowdown in the national economy.

The tax charge was substantially higher and net profits were 6.6m ringgit, only 25 per cent higher than previously.

The company is paying a final dividend of 5 cents on capital of 261m ringgit, enlarged by a five-for-four scrip issue last year.

Bandar Raya is one of Malaysia's largest property companies, with a substantial land bank and an active construction programme in Kuala Lumpur, Penang, and Johore Baru.

● GUINNESS MALAYSIA, which is 50 per cent owned by Arthur Guinness and Sons of Dublin lifted pre-tax earnings by 18 per cent to 16.9m ringgit in the six months to February, on turnover up by 9 per cent to 115m ringgit.

Net profits were 4 per cent lower at 8.7m ringgit, because of a higher tax charge arising from lower capital allowances.

The recent launch of its Guinness draught stout met with reasonable success, but at "considerable effort and expenditure." A price increase was made in March to cover higher production costs, and the company expects results of the full year to show "a modest increase" over the previous year when pre-tax profits were 24m ringgit.

The interim dividend is 6 cents gross, compared with 5 cents previously. Last year's final payment was 7 cents.

Sharp rise in earnings at Custom Credit

By Michael Thompson-Noel in Sydney

CUSTOM CREDIT Corporations the wholly-owned financing arm of the National Bank of Australasia, reported a 28.8 per cent increase in after-tax consolidated operating profit, to A$13.8m (US$14.6m) for the six months to March 31.

This follows other good results from Australian finance notably Westpac's Australian Guarantee Credit (interim net profit of A$45.1m) and Esanda, owned by the Australia and New Zealand Bank (A$19m).

Custom Credit said consolidated gross receivables, at March 31 totalled A$2.02bn, 12.7 per cent higher than a year earlier.

Strong support for its borrowing programme was reported.

● Adelaide Steamship, the aggressive and expansionary Australian conglomerate, is to replenish shares at a price of its working capital with the placement of 4.9m ordinary A$2 a share, 65 cents below the current market price.

Directors said the funds would also "provide a larger base for taking advantage of emerging investment opportunities in the current depressed share market."

They expect the 9 cents a share annual dividend to be maintained on issued capital increased not only by the placement, but also by the company's recent one-for-five scrip issue.

HK$64m rights issue by First Pacific Holdings

BY ROBERT COTTRELL IN HONG KONG

FIRST PACIFIC HOLDINGS, the former Shanghai Land Investment Company now being developed as a financial holding company by Indonesia's Liem group of investors, has announced a rights issue to raise HK$ 64.3m (US$ 11m). The issue comprises an offer of 12.9m new shares at HK$ 5 per share. The directors of FPH, including the Liems, have given irrevocable undertakings in respect of 68.8 per cent of the new shares, with the balance underwritten by Jardine Fleming (Securities) and Sun Hung Kai Securities.

The rights money will help finance the acquisition of a 66.8 per cent stake in First Pacific Finance, a deposit taking company formerly called Overseas Union Finance, from the Liem group.

The cost of acquiring the FPF stake, plus all 13m issued deferred ordinary shares in FPF, will be HK$ 52.4m. FPH says the price represents a discount of 29.5 per cent on the HK$ 74.3m worth of FPF's net assets which will become attributable to FPH.

The Liem group completed its takeover of Shanghai Land on April 14, through a company called First Pacific Investments, incorporated for that purpose by the First Pacific group of companies which is controlled by the Indonesian families known as the Liem investors. The Liems stated then that Shanghai Land would become its principal financial assets holding company, with major stakes in First Pacific Finance ad also the Hibernia Bank of California, in which the First Pacific group is now in the process of acquiring an 80 per cent stake.

First Pacific Group now expects its acquisition of the Hibernia Bank to be completed in the fourth quarter of this year, though it is not yet clear how the bank will be integrated into First Pacific Holdings.

FPH says that its rights issue document will include a forecast of at least HK$10m profits after tax and before extraordinary items for the current year, and a pro-forma statement of net tangible assets totalling some HK$110.8m or HK$6.46 per share, adjusting for the rights issue and the acquisition of FPF.

● The Hong Kong stock exchange said yesterday it expected to resume trading in Sun Hung Kai Securities and Sun Hung Kai Bank at 10 o'clock this morning. The two shares were suspended at Monday's opening pending the announcement of the companies' partnership agreement with Merrill Lynch and Paribas.

● The Hang Seng index closed 3.71 points higher yesterday, despite some profit-taking. The index has now appreciated by 14.1 per cent over the past four weeks.

SINGAPORE NEWS

OUE increases stake in ACB

BY GEORGIE LEE IN SINGAPORE

OVERSEAS UNION Enterprises, the property company associate of Overseas Union Bank, a major Singapore bank, has increased to 19.15 per cent its stake in Asia Commercial Bank, a medium-sized local institution.

The S$22.04m (U.S.$9.6m) purchase of 4.62m ACB shares from a subsidiary of United Overseas Bank ends speculation that OUB and UOB, two of the big four local banks, might make competing takeover bids

OUB bought its initial 9.2 per cent stake in ACB in January last year and UOB bought its stake last October. Mr Lee Hee Seng, OUB's and OUE's managing director, was invited a couple of weeks ago to become chairman of ACB.

OUE said it had acquired the shares as a long-term investment. If it were to increase its stake above 20 per cent it might be required to make a mandatory offer for the remaining shares although ACB is not a listed public company.

● **Hong Fok Corporation**, a Singapore property developer, has failed to meet the earnings forecast it made in May, 1981, when it got a listing on the Singapore Stock Exchange. It has reported pre-tax profits for 1981 of S$11.2m against a forecast of more than S$20m. Net profits turned out at S$5.79m against a forecast of S$12.8m.

The pre-tax and net profits were down 50 per cent and 63 per cent respectively from a year earlier. Turnover rose 19 per cent to S$61.2m and the company is paying its forecast dividend of 8 per cent.

The group blamed the performance on the weakening Hong King property market, in which it is involved, and the depreciation of the Hong Kong dollar against the Singapore dollar.

● Two Chinese newspaper publishers in Singapore have *reported divergent profit trends.* **Sin Chew Jit Poh (Singapore)** reported a 17 per cent rise in group net and pre-tax profits for 1981 to S$4.1m and S$6.8m respectively. Turnover expanded by 22 per cent to S$44.3m.

The company has been undergoing a government-forced reshuffle which will result in part in Sin Chew Jit Poh merging with Nanyang Siang Pau Singapore, a rival publisher. The latter has reported virtually flat group pre-tax earnings of S$2.95m for the six months ended January. Turnover rose 10.6 per cent to S$18.88m.

● **Seallon Hotels**, owner of the Hyatt Regency Singapore Hotel, has reported a 40.6 per cent increase in group pre-tax profits for 1981 to S$13.5m.

The company has cut its dividend to 5 per cent, however, because it said the increased profit had come from higher interest income and lower interest costs. In addition, the hotel's expansion and renovation will take most of the company's internally generated funds.

● Mr Jack Chia, the Singapore-based entrepreneur, has extended his foray into the Australian property market with the purchase of two properties worth A$4.25m (U.S.$4.5m).

His company, Jack Chia (Australia) spent A$2.6m on a factory-warehouse in Port Melbourne. A second company, Jacy Investments, has purchased a 50 per cent stake in a freehold site in Melbourne with buildings leased to the Victoria Government. The company plans to redevelop the site for residential use.

WORLD STOCK MARKETS

Firmer early Wall St tone

AFTER MONDAY'S broad setback, Wall Street showed a firmer inclination in another fairly active early trade yesterday.

Analysts had expected the market to attempt to rally, feeling that profit-taking had run its course with the previous *day's retreat.*

The Dow Jones Industrial Average, which surrendered some eight points on Monday, was 2.00 harder at 862.92 at 1 pm yesterday. The NYSE All Common Index retrieved 24 cents at $68.46, while advances outscored declines by a six-to-five margin. Shares traded came to 35.57m, compared with the previous day's 1 pm figure of 36.46m.

Among the advancing issues, Nalco Chemical gained $1 to $46½. Naples Federal Savings 1⅞ to $17⅞, Sohio $1 to $37½, Federal Express $1 to $46½, SEDCO 1½ to $33½ and Data General 1⅛ to $31½.

Diamond International picked up 2⅞ to $40½. Generale Orientale and Generale Occidentale set up U.S. units for a diamond take-over.

Loews fell 1⅞ to $92⅞. The company reported lower first-quarter operating earnings.

THE AMERICAN SE Market Value Index was ahead 2.81 at 278.55 at 1 pm after volume of 3.12m shares (3.03m). Gains outnumbered declines by 244 to 175.

Crystal Oil improved $1 to $13⅞.

Canada

The recent rally was taken a good stage further over a wide front yesterday morning in fairly active trading.

The Toronto Composite Index rose 15.8 to 1,570.9 at midday, while rises led falls on the Exchange by 214 to 109. The Oil and Gas index climbed 48.9 to 2,805.1 and Metals and Minerals 16.1 to 1,407.1, although Golds hardened only 2.5 to 2,063.3.

Peter McMullin, with Dominion Securities Ames, said the market was *staging a late "catch-up"* with Wall Street stocks.

Canadian Pacific rose 1½ to C$27½ in active trading. Analysts said the stock was benefiting from bargain hunting.

Closing prices for North America were not available for this edition.

Tokyo

Stock prices tended to recede in a day dominated by profit-taking in reaction to the market's recent advance and the overnight setback on Wall Street.

In its first decline for seven sessions, the Nikkei-Dow Jones Average lost *26.47* at 7,538.12. The Tokyo SE Index shed 1.98 to 557.56, while volume was again well below recent levels totalling only 210m shares compared with *Monday's 230m.*

Investors caution began surfacing in the market late on Monday and persisted yesterday. Foreigners, having actively *hunted Electricals, Precision In*struments and Motors in recent days, were now taking profits. Traders noted, however, that the pressure was not strong.

Market participants were nervous because of the Wall Street downturn the previous day and predictions by Salomon Brothers economist Henry Kaufman of a surge in long-term U.S. interest rates later this year.

However, traders said that after the substantial gains on the Tokyo market during the past week, it was only natural for the market to adjust itself a little.

Hitachi and Toshiba each lost Y10 to Y658 and Y346 respectively, while Mitsubishi Heavy shed Y5 to Y221, Nippon Steel Y3 to Y164 and Sumitomo Metal Y4 to Y177. Sony receded Y60 to Y3,520, Victor Japan Y40 to Y2,310, Nippon Electric Y13 to Y787, Canon Y12 to Y897 and Ricoh Y10 to Y562.

A number of speculatives, in contrast, strengthened. Dainippon Pharmaceutical, moved ahead Y55 to Y1,010, Kureha Chemicals Y12 to Y552 and Sumitomo Metal Mining Y39 to Y865.

Germany

Following Monday's sharp setback, a return of foreign buyers helped the market close with a firmer bias, although turnover remained limited.

Neither the weaker Wall Street finish on Monday nor a downturn on the Domestic Bond market yesterday seemed to have much effect on stock prices.

BMW featured with a rise of DM 5.90 to DM 206.90, while Volkswagen rallied DM 2.10 to DM 147.50. Deutsche Bank put on DM 2.50 to DM 281.50, while Linde, optimistic about 1982 earnings, gained DM 2.50 to DM 274.50 in Engineerings.

In Chemicals, Bayer hardened 10 pfennigs to DM 122.60 despite reporting reduced first-quarter parent company pre-tax profits.

Paris

Prices were mixed in quiet trading with many brokers reluctant to take positions in the light of the continuing crisis in the Falkland Islands.

In Foods, Carrefour eased FFr 8 to FFr 1,687 despite company expectations of a rise of around 20 per cent in 1982 group net profits.

Switzerland

A generally firmer trend prevailed on increased volume as hopes that Swiss interest rates would further decline triggered cautious buying. The Swiss Bank Corporation Industrials index gained 1.2 to 258.4.

Selective foreign demand was evident despite yesterday morning's *higher* U.S. dollar, with buying concentrated on higher yield issues.

Australia

After a weak opening, some major resources issues and several key Industrials led markets into firmer ground. The subsequent demand came mainly from Hong Kong and Singapore investors, with a shortage of scrip helping to boost share prices.

Many brokers were surprised *by the strength of the market* at the end of the day in light of the sharp retreat on Wall Street overnight in response to Salomon Brothers economist Henry Kaufman's bearish predictions on future U.S. interest rate levels.

After losing around three points at the outset, the All *Ordinaries Index rose to 516.4* for a day's gain of 2.8. This is the highest point for the index since standing at 516.8 on February 15. The Oil and Gas Index *improved* 5.9 to 477.1 and Metals and Minerals 4.2 to 386.3.

Market leader BHP opened as low as A$8.00, but then rose steadily to end a net 8 cents up *on the day at A$8.20.*

In the Oils and Gas sector, Crusader advanced 55 cents to A$4.75, Santos 4 cents to A$5.24, Vamgas 16 cents to A$7.86, *Woodside 3* cents to *90* cents and CSR with its controlling interest in Delhi Oil, 6 cents to A$3.38.

Hong Kong

The market eased initially on fresh profit-taking. However, renewed support towards the close, with interest centred in Properties, left stock prices mixed to firmer on the day.

The Hang Seng Index closed a slight 3.71 harder on balance at 1,381.26. Trading remained reasonably active, turnover amounting to HK$314.05m on the four exchanges, against Monday's HK$330.45m.

Monday's news of the agreement by which Merrill Lynch is to acquire a minority interest in Sun Hung Kai Securities and Sun Hung Kai Bank, both still suspended was said to be making little impact yesterday on the market.

Johannesburg

Gold shares tended to ease a shade more in slow trading despite a mild improvement in the Bullion price.

Indices

NY. S.E. ALL COMMON

May 10	May 7	May 6	May 5	1982 High	1982 Low
68.22	68.76	68.31	67.75	71.20 (4/1)	62.52 (12/3)

Rises and Falls

	May 10	May 7	May 6
Issues Traded	1,914	1,889	1,897
Rises	475	927	1,062
Falls	1,013	564	449
Unchanged	426	398	386
New Highs	48	85	—
New Lows	16	14	—

MONTREAL	May 10	May 7	May 6	May 5	1982 High	1982 Low
Industrials	285.96	285.87	280.86	280.79	352.79 (4/1)	270.46 (16/3)
Combined	267.88	266.20	263.39	263.51	316.08 (4/1)	259.08 (15/3)
TORONTO Composite	1555.1	1544.3	1527.2	1526.5	1956.3 (4/1)	1526.5 (5/5)

(**) Saturday May 8: Japan Dow 7559.17. TSE 559.31.

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Mobil	754,000	24⅛	−⅛
Tandy	668,400	28¾	−⅞
Exxon	572,900	29	—
IBM	570,000	63¾	−1
Dow Chemical	550,300	23¾	+⅜
Sears Roebuck	480,900	19⅞	−⅛
Std. Oil Indiana	477,400	44⅝	−⅛
Atlantic Richfield	471,900	41⅞xd	−1⅛
Storage Tech.	455,200	23⅛	−⅜
Jack Eckerd	413,000	20¼xd	−3⅛

LONDON STOCK EXCHANGE

Equity leaders falter after recent strong advance
Share index down 5.4 at 585.1—British Funds mixed

Account Dealing Dates

First Dealings	Option Declarations	Last Dealings	Account Day
*Apr 19	Apr 28	Apr 29	May 10
Apr 30	May 13	May 14	May 24
May 1	June 3	June 4	June 14

* "New time" dealing may take place from 9 am two business days earlier.

Equity markets looked jaded yesterday. There was no marked deterioration in the underlying tone, but recent buyers appeared to be unwilling to chase prices any higher after the strong rise over recent weeks. Small sellers eventually gained the edge in leading shares.

The latest money supply figures were much in line with market expectations, while the wholesale price indices had little immediate impact on sentiment.

Conditions were uncertain at the opening when dealers marked leading industrials lower. The virtual absence of sellers in the early trade saw quotations recover from lower opening levels before sporadic offerings sent prices easier again.

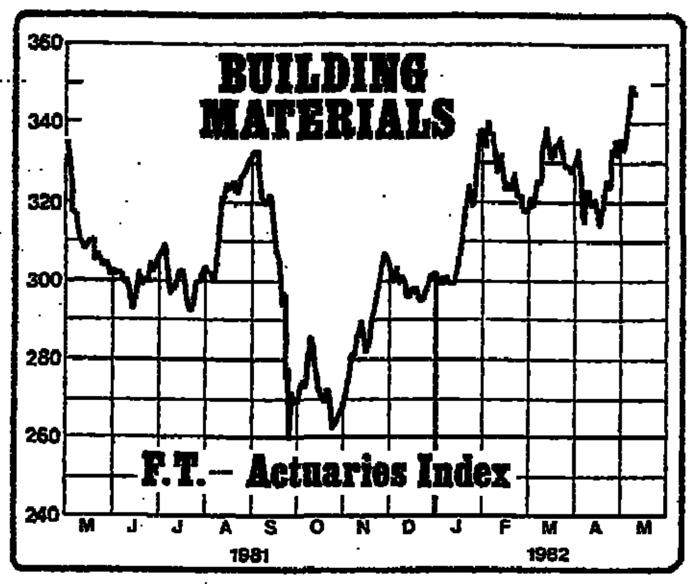
The FT 30-share index more than recovered its loss of 3.9 at the 10 am calculation in recording a net rise of 0.9 an hour later, but subsequently drifted lower to close 5.4 down on balance at 585.1. Viewed against the advance of 45.7, over 8 per cent, since mid-April, yesterday's setback was relatively modest. Index constituents showed only occasional rises, although the numerous losses were limited to a few pence. Glaxo stood out against the trend with a jump of 18 to 663p, after 680p, prompted by suggestions that the company may shortly receive permission to market its Zantac drug in the U.S.

The Falklands situation continued to restrain business in Gilt-edged. Conflicting views about the future trend in short-term U.S. interest rates failed to unsettle sentiment, but disappointment with the wholesale price indices in some quarters tended to dampen the long-end of the market which recorded falls to ⅜. In contrast, short-dated stocks edged a little higher and, after a slow trade, The Government Securities index, at 68.94, lost only 0.07 of its previous three-day rise of 1.34.

C'cial. Union harder

Commercial Union's announcement that the group had incurred only a £1.7m deficit in the first-quarter relieved the market which had been fearing much worse following General Accident's shock £11.1m quarterly loss announced last week. CU's shares consequently rose to 138p before closing a couple of pence harder on balance at 134p. Among Lloyd's Brokers, C. E. Heath found support and put on 7 to 332p, but Alexander Howden lost that much to 150p.

Reflecting renewed concern about the group's substantial Argentinian assets, Lloyd's lost 8 to 400p. Elsewhere, a firm market of late on buying ahead of going ex the 50 per cent scrip issue next Monday, Standard Chartered lost 13 to 645p. Discount Houses made good progress with King and Shaxson notable for a gain of 8 to 95p ahead of tomorrow's preliminary results. Gillett Bros improved 3 to 140p as did Smith St Aubyn, to 37p, and the sector index moved well against the general trend to rise 2.3 per cent to 236.16.



Having shown useful gains over the previous two trading days following encouraging beer production figures, leading Breweries reacted on scattered selling and finished with falls to 7. Whitbread shed that much to 108p, while Bass, 234p, and Grand Metropolitan, 216p, eased 3 and 4 respectively. Scottish and Newcastle, firm of late on bid hopes, closed 3½ lower at 60p.

Recently firm leading Buildings turned irregular. Blue Circle softened 4 to 496p and London Brick a couple of pence to 99p, but BPB Industries added 4 more to 438p and RMC a like amount to 246p. Costain touched 274p before closing 2 dearer on balance at 270p following annual profits at the top end of market estimates; the Deferred also closed 2 firmer, at 254p, after 256p. Profit-taking clipped a couple of pence from F. J. C. Lilley, 168p, but Watts Blake Bearne added 5 to 170p.

ICI fluctuated narrowly in thin trading before closing 4 cheaper on balance at 322p. Fisons lost 6 to 318p and Brent Chemicals 7 to 124p, while Amersham cheapened 3 to 211p.

BHS react

Sporadic selling prompted an easier tone among leading Stores. British Home were particularly dull on profit-taking and, at 163p, gave up 7 of Monday's gain of 10 which followed the preliminary results. Marks and Spencer eased 3 to 161p, while Debenham's, annual results due on May 21, gave up a couple of pence to 72p. In contrast, selected secondary issues made useful progress. NSS, the last of the four major newsagents to report, advanced 8 to 190p following the increased interim profits and dividend accompanied by the 1-for-2 scrip issue proposal. D-I-Y's continued to attract support, notably Home Charm, which rose 10 to 178p in active trading on renewed takeover hopes. Lanca came in for further support and added 4 for a two-day jump of 18 to 54p in a restricted market.

The recently buoyant defence stocks in the Electrical sector took a breather yesterday as recent buyers withdrew. Sporadic profit-taking left only modest losses by the close with the recent front-runners GEC, 888p, and Plessey, 423p, down 4 and 5 respectively. Racal cheapened 5 to 418p and BICC lost 7 at 340p. United Scientific gave up 12 to 378p awaiting today's preliminary figures. By way of contrast, A. and G. Securities moved up 7 to 137p and George Scholes advanced 6 to 317p while Pifco A put on 10 to 185p and Wholesale Fittings 5 to 225p.

Secondary Engineerings were featured by a rise of 8 to 152p in Molins following a flurry of speculative buying fuelled by talk of a bid from BATS Industries which owns a 23.6 per cent stake. Continuing speculation of a possible increased bid from Charter Consolidated saw Anderson Strathclyde improve 2 more to 143p, while investment buying lifted Capper-Neill 4 to 62p. Still reflecting the chairman's encouraging AGM statement, Ash and Lacy gained 5 more for a two-day jump of 23 to 325p. Wadkin found support and rose 8 to 75p. Frederick Cooper put on 2 to 20p on the interim profits recovery but Whessoe fell 8 to 98p following profit-taking in the wake of the good first-half results. Apart from John Brown, which added 2 to 58p, after 59p, the leaders eased with the general trend.

Food Retailers remained overshadowed by fears of another price war. Kwik Save lost 4 for a two-day fall of 8 to 224p, while J. Sainsbury shed 10 to 600p and Associated Dairies a couple of pence to 120p. Tesco slipped to 54p before closing ½ cheaper on balance at 54½p. Manufacturers encountered light profit-taking. Tate and Lyle gave up 4 to 190p and British Sugar 8 to 490p.

Glaxo came in for a sudden bout of speculative support and soared to a 1982 peak of 680p before closing a net 18 up at 663p on hopes that its Zantac anti-ulcer drug may soon be given a licence in the U.S. Among other miscellaneous industrial leaders, Sears improved a penny to 69p, after 72p, following the better-than-expected annual results, while Trafalgar House edged forward 2 to 133p in anticipation of today's preliminary figures.

Barr and Wallace Arnold Trust shed 6 to 64p and the A 4 to 47p following the poor preliminary results. After the previous day's drop of 18, on a Court decision not to allow its casino subsidiary to resume gaming at the Playboy Club in London, Trident TV reacted afresh to 62p before closing unchanged on balance at 64p. Against the general trend, Holiday issues edged forward, Horizon touching a 1982 peak of 430p before closing a net 5 up at 425p.

Hopes of increased Government defence spending continued to buoy aerospace issues. Flight Refuelling added 5 more to 300p, while Dowty firmed a couple of pence to 138p. Lucas, neglected in the recent rally, advanced 7 to 194p. Among Motor Distributors, Braid added a penny to 44p following news that Lookers control 16.2 per cent of the equity.

A steady stream of company trading statements provided some interest among otherwise idle Paper/Printings. Associated Paper featured, attaining a 1982 high of 79p before settling for a net gain of 3 at 76p in response to the first-half profits recovery and increased interim dividend. Poster advertisers More O'Ferrall rose to equal the 1982 peak of 138p following the annual results and 25 per cent scrip issue proposal but eased on profit-taking to finish a net 2 cheaper at 131p. Ultra Walker firmed a penny to 36p and Ware gave up a couple of pence to 18p following the respective full-year figures.

Properties met scrappy selling. Land Securities shed 5 to 287p; the preliminary results are due next Monday. Allnatt (London) gave up 4 to a 1982 low of 170p.

Oils cautious

Oils opened a shade easier on Wall Street advices and on talk that Iran had sold crude at below $28 per barrel; quotations subsequently picked up on sporadic support before drifting off to close with modest losses on balance. British Petroleum finished 4 cheaper at 312p and Shell 6 off at 414p. Lasmo improved a few pence to 348p.

Still reflecting the excellent interim results, stockjobbers Akroyd and Smithers rose 8 for a two-day gain of 18 to a 1982 high of 211p. In contrast, money brokers lacked support and R. P. Martin shed 15 to 285p, while Mercantile House eased 5 to 387p. Welbeck gave up 3 to 42p in the absence of news about the bid approach.

RTZ weak

Heavy institutional selling of Rio Tinto-Zinc, down 16 at 438p, was prompted by concern over the immediate outlook for metal prices—notably copper—following an RTZ-organised seminar for brokers, jobbers and institutional investors held in London on Monday evening.

South African Golds were initially depressed but tended to pick up in late trading in line with the firmer bullion price. The latter edged up $2.5 to $332.25—its first improvement in six trading days.

However, turnover in the gold sharemarket remained at a low level and, despite the late rally, the Gold Mines index fell 2.6 to 226.0.

Sizeable buying of leading Australians was thought to have emanated from Hong Kong and lifted CRA 10 to a 1982 high of 190p, MIM Holdings 6 to a year's high of 200p and Western Mining 4 to 238p.

In Coals, Oakbridge put on 6 to 83p.

The disclosure of the terms of the restructuring of Seltrust Holdings share capital left the "A" 2 easier at 50p, and the "Z" unaltered at 50p.

Demand for Traded Options held up relatively well, contracts completed yesterday amounting to 2,290. Calls totalled 1,596 with Courtaulds again to the fore with July 100's; the preliminary results are scheduled for May 27. Imperial and Racal recorded 274 and 178 calls respectively. Puts were also lively and 694 contracts were traded with Lonrho accounting for 357, particular attention being paid to the May 80's and August 70's which attracted 174 and 156 puts respectively.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 10	May 21	Aug 12	Aug 23
May 24	June 11	Sept 2	Sept 13
June 14	June 25	Sept 16	Sept 27

For rate indications see end of Share Information Service

Stocks to attract money for the call included Trident TV A, Pennine Commercial, ICL, Bowater, G. M. Firth, Lambert Howarth, Combined Technologies, Loraine, Britannia Arrow, Management Agency and Music, Nimslo, Eagle Star and Anderson Strathclyde. Puts were completed in ICL, Lasmo, Exco and G. M. Firth, while doubles were arranged in Imps, Scottish and Newcastle Breweries, ICL and Nimslo.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	9	54	30
Corpns. Dom. and Foreign Bonds	9	3	63
Industrials	175	259	812
Financial and Props.	79	119	310
Oils	19	29	59
Plantations	—	1	18
Mines	27	41	91
Others	23	84	42
Totals	341	549	1,525

FINANCIAL TIMES STOCK INDICES

	May 11	May 10	May 7	May 6	May 5	April 30	A year ago
Government Secs.	68.94	69.01	68.38	68.28	67.67	67.70	66.39
Fixed Interest	69.37	69.42	68.93	68.92	68.26	68.12	69.19
Industrial Ord.	585.1	590.5	583.3	576.9	575.4	575.1	556.0
Gold Mines	226.0	228.6	231.4	231.2	236.3	248.0	363.9
Ord. Div. Yield	5.33	5.30	5.37	5.42	5.54	5.51	5.92
Earnings. Yld.% (full)	11.15	11.08	11.34	11.52	11.52	11.55	11.65
P/E Ratio (net) (*)	11.05	11.12	11.03	10.85	10.87	10.84	10.75
Total bargains	18,364	18,535	16,517	16,210	16,049	15,560	20,956
Equity turnover £m.	—	148.90	155.50	134.69	130.09	143.26	116.717
Equity bargains	—	14,191	13,205	12,673	12,636	13,782	14,856

10 am 586.6. 11 am 591.4. Noon 590.3. 1 pm 588.0.
2 pm 587.0. 3 pm 586.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.25.

HIGHS AND LOWS / S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.58 (28/3)	61.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.74 (2/4)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	590.5 (10/5)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	209.2 (3/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. Activity	May 10	May 7
—Daily		
Gilt Edged Bargains	177.1	168.3
Equities Bargains	91.9	85.6
Value	301.0	314.3
5-day Avrge.		
Gilt-Edged Bargains	165.8	157.0
Equities Bargains	85.4	84.9
Value	282.3	280.0

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or –	Div. amount	Times covered	Gross Yield	P/E Ratio
140	F.P.	14/5	169	140	AIM Group 10p	169	–2	bd5.75	1.9	4.9	18.2
15	F.P.	15/4	30	19	Cambrian & Gen.7½p	30					
‡105	F.P.	21/5	109	105	♦Cass Group 10p	107		ud2.5	2.8	3.3	14.4
‡260	F.P.	4/6	375	293	♦Cons. Microwave	370	–5	b5.25	3.9	2.0	16.7
60	F.P.	28/5	62	60	♦DeBrett(Andre)10p	60		b2.5	2.1	5.9	11.5
‡102	F.P.	—	135	122	Dew (George)	127		g5.7	4.0	6.4	5.6
‡130	F.P.	28/5	148	140	♦Druck Hldgs	148		b2.5	2.5	2.4	25.7
—	—	—	17	10	‡Grp Inv Option Crts	17					
‡250	F.P.	14/5	250	245	♦Hio Technology	247					
—	F.P.	—	275	257	♦Jebsens Drilling	265		b17.5	3.5	9.4	6.5
‡120	F.P.	7/5	134	130	♦Leisure Inds	132		b5.0	2.8	5.4	9.5
—	F.P.	—	30	30	Osprey Assets	30					
136	F.P.	13/5	141	135	Standard Secs.	136		b2.8	1.2	3.9	18.8
—	F.P.	—	90	70	Zambia Cons Cpr 10K	70					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or –
‡99.285	£25	14/7	25	21½	Cred. Foncier de France 14½% Ln. 2007	24½	–½
‡100	£10	1/7	12¼	11½	East Anglia Water 9% Red. Prf. 1987	12¼	
‡‡	F.P.	—	136	136	First Nat. 12½pc Conv. Uns. Ln. 1987	136	
‡100	F.P.	—	100½	99½	Nationwide Bdg. Soc. 14¼% (14/3/83)	100½	
‡100	F.P.	—	100½	99½	Do. 14¼% (4/4/83)	100½	
‡100	F.P.	—	100¼	100	Do. 14¼% (26/4/83)	100¼	
‡107	F.P.	29/4	113½	109½	Queens Moat 10¾% Cnv. '89-91	113½	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or –
10	F.P.	27/4 28/5	13½	13	Ansbacher (H.) 5p	11½	
170	Nil	13/5 24/6	20pm	10pm	Bank Leumi (UK) £1	10pm	–5
125	F.P.	21/4 28/5	157	135	Beazer (C. H.) 10p	156	–1
‡51	Nil	24/5 7/6	16½pm	3½pm	Bond Corp.	9½pm	+1
135	Nil	—	44pm	36pm	Carless Capel 10p	41pm	–2
‡60	F.P.	29/3 10/5	60	50	First Castle 10p	58	
50	F.P.	30/4 28/5	86	63	Fisher (A.)	48	
5	F.P.	10/5 21/6	6	5	Grovebell (5p)	5	
500	Nil	20/5 18/6	90pm	80pm	Hammerson Prop.	83pm	–7
300	Nil	—	75pm	35pm	Do. A	33pm	–4
150	F.P.	7/5 4/6	169	144	Lilley (F.J.C.)	168	
145	F.P.	12/5 7/6	187	176	Low (Wm.) 20p	180	
18	Nil	21/5 4/6	14pm	4pm	North Kalgurli	6pm	–2
6	F.P.	19/4 21/5	6½		Platignum 5p	5½	
27	F.P.	29/4 27/5	29½	25½	Queens Moat	27½	
88	F.P.	16/4 4/6	107	99	Riley Leisure	107	
170	Nil	14/5 11/6	52pm	45pm	Steel Bros	50pm	–1
10	F.P.	24/5 23/4	12½	10½	Sturla 10p	12½	+¼
133	F.P.	10/5 10/6	160	146	Vickers £1	158	–2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ♦ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ◆ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap. shares. Δ Issued free as an entitlement to Ordinary holders.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bass	234	–3	Lucas Inds	194	+7
British Home Stores	163	–7	Molins	152	+8
BP	312	–4	RTZ	438	–16
Commercial Union	134	+2	Sears	69	+1
Glaxo	663	+18	Shell Transport	414	–6
Home Charm	178	+10	Smith & Nephew	128	–4

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Monday's closing price pence	Day's change	Stock	No. of price changes	Monday's closing price pence	Day's change
Trident TV A	18	64	–18	Utd Scientific	12	390	–22
Plessey	16	428	+13	Ent Home Strs	11	170	+10
GEC	14	892	+7	Reed Intnl	11	204	+12
Lambert Hwrth	14	77	+13	RTZ	11	454	+4
BICC	13	347	+12	Rothmans	11	99	+3
Cable & Wire	12	375	–12	Tysons	11	43	+8
Thorn EMI	12	435	+8	BAT Inds	10	470	+8

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue May 11 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon May 10 Index No.	Fri May 7 Index No.	Thurs May 6 Index No.	Wed May 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	393.99	–0.5	9.28	4.10	13.33	396.10	389.88	384.55	378.91	344.08
2	Building Materials (23)	347.26	–0.6	13.18	5.08	8.92	349.38	342.82	337.45	333.17	310.60
3	Contracting, Construction (28)	637.80	–0.6	13.49	4.77	8.72	641.41	629.87	625.59	619.12	572.51
4	Electricals (31)	1400.55	–0.8	6.68	2.11	19.15	1411.45	1390.91	1365.44	1340.94	1045.14
5	Engineering Contractors (9)	500.40	–0.2	13.21	6.12	8.93	501.40	496.07	494.57	488.76	493.70
6	Mechanical Engineering (67)	207.36	–0.1	10.95	5.58	11.05	207.62	203.71	201.46	198.54	214.57
8	Metals and Metal Forming (11)	168.90	–1.4	10.07	7.09	12.48	171.36	169.19	167.77	165.16	169.14
9	Motors (21)	97.27	+1.0	2.42	6.98	—	96.26	95.44	95.15	93.84	106.92
10	Other Industrial Materials (18)	387.22	–0.2	9.45	5.46	12.93	388.14	383.77	378.98	375.85	367.98
21	CONSUMER GROUP (201)	311.61	–1.0	12.62	5.46	9.61	314.86	310.32	309.80	305.80	281.89
22	Brewers and Distillers (21)	311.18	–2.1	15.14	6.26	7.96	317.95	312.13	308.07	303.28	305.58
25	Food Manufacturing (22)	276.96	–1.1	16.57	6.73	7.08	279.95	275.97	276.35	272.84	253.55
26	Food Retailing (14)	587.52	–1.4	9.64	3.60	12.55	595.59	595.11	618.41	617.92	521.98
27	Health and Household Products (8)	461.69	+0.2	7.50	3.50	15.50	460.75	453.84	448.77	440.44	308.55
29	Leisure (24)	449.50	–0.7	10.21	5.05	12.20	452.46	448.83	445.77	439.73	424.36
32	Newspapers, Publishing (12)	533.50	+0.2	12.92	5.87	9.83	532.48	533.83	529.97	528.93	513.21
33	Packaging and Paper (14)	149.16	–0.3	15.32	7.12	7.59	149.58	147.40	146.12	144.70	148.69
34	Stores (45)	285.71	–0.8	10.27	4.77	13.04	287.93	282.85	282.20	279.43	285.52
35	Textiles (23)	180.09	–0.5	9.51	5.57	13.73	181.07	178.24	176.12	173.65	163.86
36	Tobaccos (3)	340.85	–2.4	21.82	8.06	5.16	349.15	342.63	344.28	336.08	268.56
39	Other Consumer (15)	292.53	–0.2	1.70	5.15	—	293.17	290.73	289.99	290.09	304.36
41	OTHER GROUPS (78)	259.45	–0.8	13.22	6.08	9.09	261.43	259.07	256.19	253.88	234.98
42	Chemicals (16)	339.23	–1.2	13.28	6.81	9.00	343.26	341.98	339.26	335.43	297.32
44	Office Equipment (4)	115.10	–1.8	13.99	7.58	8.71	117.19	115.82	111.26	111.52	116.36
45	Shipping and Transport (13)	578.37	–1.1	19.90	6.86	5.95	584.93	583.43	581.55	568.60	583.58
46	Miscellaneous (45)	336.21	–0.1	11.21	4.92	10.86	336.53	331.63	327.25	323.08	297.98
49	INDUSTRIAL GROUP (487)	332.53	–0.8	11.45	5.84	10.64	335.24	330.49	328.05	323.62	296.86
51	Oils (13)	741.53	–1.1	21.28	7.84	5.33	750.02	750.08	742.68	732.72	819.95
59	500 SHARE INDEX	365.83	–0.9	13.04	5.49	9.16	369.01	364.62	361.78	356.91	338.61
61	FINANCIAL GROUP (117)	250.92	–0.5	—	6.57	—	252.16	251.26	249.75	247.06	252.90
62	Banks (6)	267.63	–0.6	39.11	8.03	2.80	269.24	268.68	264.96	262.36	253.58
63	Discount Houses (9)	236.16	+2.3	—	9.55	—	230.79	224.82	225.09	223.06	290.70
65	Insurance (Life) (9)	269.10	–0.3	—	6.80	—	269.83	269.18	268.14	268.63	249.97
66	Insurance (Composite) (10)	158.26	+0.6	—	8.95	—	157.34	155.65	154.36	152.19	168.25
67	Insurance Brokers (7)	494.10	–0.2	11.20	5.15	12.11	494.86	492.59	491.59	488.49	373.19
68	Merchant Banks (12)	147.00	–1.0	—	5.77	—	148.52	147.87	147.37	145.50	155.17
69	Property (49)	428.26	–1.2	5.01	3.57	26.67	433.47	434.24	432.05	427.93	491.98
70	Other Financial (15)	173.38	–1.3	18.16	6.59	6.37	175.60	174.50	177.17	171.37	170.02
71	Investment Trusts (112)	304.24	–0.2	—	5.32	—	304.98	301.07	297.88	296.61	304.54
81	Mining Finance (4)	210.02	–2.2	14.87	6.71	8.43	214.78	214.08	212.77	211.52	254.22
91	Overseas Traders (17)	375.23	+0.1	13.95	8.47	8.75	374.67	374.03	373.44	374.52	474.23
99	ALL-SHARE INDEX (750)	335.89	–0.8	—	5.73	—	338.53	335.06	332.54	328.52	320.56

FIXED INTEREST

	PRICE INDICES	Tue May 11	Day's change %	Mon May 10	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	111.35	+0.07	111.27	—	4.53
2	5-15 years	111.57	–0.17	111.76	—	4.43
3	Over 15 years	114.65	–0.27	114.96	—	5.22
4	Irredeemables	118.62	—	118.62	—	6.07
5	All Stocks	112.21	–0.12	112.34	—	4.70
6	Debentures & Loans	87.86	–0.04	87.89	—	3.56
7	Preference	64.23	+0.02	64.22	—	2.75

	AVERAGE GROSS REDEMPTION YIELDS		Tue May 11	Mon May 10	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.62	11.65	12.12
2		15 years	12.70	12.66	12.82
3		25 years	12.65	12.61	12.95
4	Medium Coupons	5 years	13.91	13.91	13.98
5		15 years	13.74	13.70	14.52
6		25 years	13.28	13.25	14.11
7	High Coupons	5 years	13.78	13.73	13.95
8		15 years	13.94	13.88	14.69
9		25 years	13.48	13.31	14.30
10	Irredeemables†		12.32	12.32	12.31
11	Debs & Loans	5 years	14.80	14.81	14.88
12		15 years	14.75	14.74	14.93
13		25 years	14.71	14.68	14.93
14	Preference		15.42	15.42	14.75

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (73)

BRITISH FUNDS (6)
Treas. 8¼pc 1982; Treas. 3pc 1985; Fundg. 5½pc '82-84; Treas. 3pc 1986; Exchqr. 14pc 1984; Transport 3pc '78-88

INTERNATIONAL BANKS (1)
Int. Bk. 14pc Ln '87 (£30 pd.)

CORPORATION LOANS (2)
Glasg. 9¼pc '80-82; Herts. 6¼pc 1985-87

LOANS (1)
Nationwide 16¼pc 17 1.83

FOREIGN BONDS (1)
Ireland 7½pc '81-83

AMERICANS (1)
Lowes

BANKS (2)
King & Shaxson; Mercury Secs.

BEERS (4)
Border Brews.; Young Brew. A; Morland; Do. N-V

BUILDINGS (6)
BPB Inds.; May & Hassell; Comben Group; Mowlem (J.); Countryside; Trent Hldgs.

CHEMICALS (1)
Allied Colloids

STORES (6)
Brown (N.); Harris Queensway; Dewhirst; Home Charm; Dixons Photo.; NSS News.

ELECTRICALS (5)
A. & G. Sec. Elecs.; Scholes (G. H.); Dubilier; Wholesale Fittings; M K. Electric

ENGINEERING (6)
Anderson Strath.; Martonair; Ash & Lacy; Spirax-Sarco; Jackson (J. H. B.); Yarrow

INDUSTRIALS (15)
Attwoods; Sears; Glaxo; Sharna Ware; L.R.C.; Standard Fireworks; Macfarlane; The Times Veneer; Parker-Knoll A; Trafalgar House; Pentlow; Vinten; Prestige; Wills (George); Reckitt & Colman

LEISURE (1)
Horizon

MOTORS (2)
Flight Refuelling; Lex Service

PAPER (2)
Assoc. Paper; Bemrose

TEXTILES (1)
Yorklyde

TRUSTS (7)
Lowland Inv.; TR North America; M. & G. Dual Inc.; Akroyd & Smithers; Do. 2nd Dual Inc.; Martin (R. P.); TR Australia Trust

OIL & GAS (1)
Eglinton Oil & Gas

MINES (2)
CRA; M.I.M.

NEW LOWS (28)

AMERICANS (5)
Amax; Kaiser Aluminum; Caterpillar; Sperry Corp.; GATX

CANADIANS (3)
Bank of Montreal; Trans. Can. Pipe; Toronto Dom. Bk.

BANKS (1)
Cop'hagen Hand'bank

BUILDINGS (1)
Glossop

STORES (1)
UDS

ELECTRICALS (1)
Chloride 7½pc Com. Cnv.

ENGINEERING (2)
Elliott (B.); Robinson (T.); Moss Eng.

INDUSTRIALS (4)
Amalg'd Metal; Neil & Spencer; Manch. Ship Canal; 'W' Ribbons

INSURANCE (1)
London & Manch'r

LEISURE (1)
Barr & W.A.T. A

PROPERTY (3)
Allnatt London; Hammerson A; Green (R.)

SHIPPING (1)
Lon. O'seas Frghtrs.

OILS (1)
Colliers (R.) Pet.

MINES (2)
Leslie; Harmony

London Clearing Banks' balances

as at April 21 1982

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding £m	£m	Change on month £m	£m
Sterling deposits:				
UK monetary sector	11,810		+ 253	
UK private sector	46,573		+1,192	
UK public sector	877		– 161	
Overseas residents	6,026		+ 253	
Certificates of deposit	3,209		+ 26	
		68,494		+1,563
of which: Sight		21,768		+ 443
Time (inc. CD's)		46,726		+1,120
Foreign currency deposits:				
UK monetary sector	12,940		– 444	
Other UK residents	3,403		+ 329	
Overseas residents	30,808		+ 992	
Certificates of deposit	4,143		+ 233	
		51,294		+1,110
Total deposits		119,789		+2,673
Other liabilities*		15,363		+1,304
TOTAL LIABILITIES		135,151		+3,976

ASSETS	Total outstanding £m	£m	Change on month £m	£m
Sterling				
Cash and balances with Bank of England		1,235		+ 61
Market loans:				
Discount houses	2,605		– 114	
Other UK monetary sector	10,693		+ 9	
Certificates of deposit	1,332		– 149	
Local authorities	1,592		+ 112	
Other	1,402		+ 20	
		17,624		– 122
Bills:				
Treasury bills	175		– 99	
Other bills	1,057		– 1	
		1,232		– 101
Special deposits with Bank of England		—		—
Investments:				
British Government stocks	2,666		+ 72	
Other	2,612		+ 1	
		5,278		+ 74
Advances:				
UK private sector	43,512		+1,639	
UK public sector	567		+ 78	
Overseas residents	3,441		+ 118	
		47,520		+1,835
Other sterling assets*		8,705		+ 846
Foreign currencies				
Market loans:				
UK monetary sector	13,462		+ 386	
Certificates of deposit	361		+ 8	
Other	21,765		+ 401	
		35,588		+ 795
Bills		97		+ 5
Advances:				
UK private sector	3,030		– 14	
UK public sector	507		+ 10	
Overseas residents	11,531		+ 516	
		15,068		+ 512
Other foreign currency assets*		2,803		+ 71
TOTAL ASSETS		135,151		+3,976
Acceptances		2,551		+ 101
Eligible liabilities		51,787		+1,600

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Out-standing £m	TOTAL Change on month £m	BARCLAYS Out-standing £m	BARCLAYS Change on month £m	LLOYDS Out-standing £m	LLOYDS Change on month £m	MIDLAND Out-standing £m	MIDLAND Change on month £m	NATIONAL WESTMINSTER Out-standing £m	NATIONAL WESTMINSTER Change on month £m	WILLIAMS & GLYN'S Out-standing £m	WILLIAMS & GLYN'S Change on month £m
LIABILITIES												
Total deposits	119,789	+2,673	34,235	+841	21,288	– 10	25,357	+1,131	35,595	+719	3,314	– 7
ASSETS												
Cash and balances with Bank of England	1,235	+ 61	376	+ 16	185	– 7	250	+ 24	382	+ 35	43	– 7
Market loans:												
UK monetary sector	26,760	+ 281	7,613	+669	4,251	–343	3,836	+347	10,515	–345	545	– 48
Other	26,452	+ 392	7,381	–215	5,530	+187	5,491	+ 94	7,207	+318	842	+ 9
Bills	1,330	– 96	415	– 66	242	– 22	381	+ 6	250	– 16	41	+ 3
British Government stocks	2,666	+ 72	833	+ 1	429	+ 8	788	+ 35	564	+ 29	52	—
Advances	62,588	+2,347	18,393	+741	11,420	+253	13,841	+636	17,083	+662	1,850	+ 56

TABLE 3. INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES

	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYN'S	
ELIGIBLE LIABILITIES	51,787	+1,600	16,673	+327	8,881	+122	10,584	+408	14,121	+696	1,528	+ 46

Companies and Markets

CURRENCIES and MONEY

£ and $ easier

Sterling fell slightly against the dollar and other major currencies in quiet trading, awaiting further news from the Falkland Islands.

Dollar opened strong, but lost ground as Eurodollar rates fell from high early levels. It also came under selling pressure as the Soviet Union moved into the market to buy D-marks.

The D-mark returned to the top position in the European Monetary System, replacing the Danish krone.

STERLING — Trade-weighted index 90.1 against 90.2 at noon, 90.3 in the morning, 90.5 at the previous close, and 89.2 six months ago. Three-month interbank 13 7/16 per cent (15¼ per cent six months ago). Annual inflation rate 10.4 per cent (11 per cent previous month)—Sterling fell 25 points to close at $1.8325-1.8335. It opened at $1.8280-1.8290, and fell to a low of $1.8275-1.8285, *before touching a* peak of $1.8350-1.8360. The pound fell to DM 4.1850 from DM 4.2050 against the D-mark; to FFr 10.9125 from FFr 10.94 against the French franc; and to Y427 from Y429 in terms of the Japanese yen. On the other hand sterling rose slightly to SwFr 3.5025 from SwFr 3.49.

DOLLAR — Trade-weighted index 111.7 *against 111.8 on Monday*, and 107.0 six months ago. Three-month Treasury bills 12.30 per cent (11.08 per cent six months ago). Annual inflation 6.8 per cent (7.7 per cent previous month)—The dollar fell to DM 2.2825 from DM 2.2895; to FFr 5.9525 from FFr 5.9625; and to Y232.75 from Y233.60; but rose to SwFr 1.9090 from SwFr 1.9005.

D-MARK — EMS member (strongest). Trade-weighted index 125.5 against 125.2 on Monday, and 124.0 six months ago. Three-month interbank 9.10 per cent (11.275 per cent six months ago). Annual inflation 5 per cent (5.2 per cent previous month)—The D-mark improved against the dollar at the Frankfurt fixing as Eurodollar interest rates retreated from high opening levels. The U.S. currency opened at DM 2.2955, but was fixed at DM 2.2782, against DM 2.2856 previously. The Bundesbank did not intervene at the fixing, and was probably not active on the open market. Germany's D-mark rose against other members of the EMS except the lira, which improved to DM 1.80 per 1,000 lira from DM 1.7990. The Swiss franc fell to DM 1.1963 from DM 1.2043, and the pound to DM 4.18 from DM 4.1950.

FRENCH FRANC—EMS member (central position). Trade-weighted index 80.0 against 80.1 on Monday, and 82.2 six months ago. Three-month interbank 16 7/16 per cent (15¾ per cent six *months ago*). *Annual inflation* 14.1 per cent (13.9 per cent previous month)—The French franc declined against only the Belgian franc among its EMS partners at the Paris fixing. The Belgian currency fell to FFr 13.8070 from FFr 13.82, but the D-mark rose to FFr 2.6094 from FFr 2.6047: the Dutch guilder to FFr 2.3462 from FFr 2.3447; the Irish punt to FFr 9.0250 from FFr 9.0175; the Danish krone to FFr 770.7 per 100 *krone from FFr 76.99*; and the Italian lira to FFr 4.6995 per 1,000 lira from FFr 4.6865.

DUTCH GUILDER — EMS member (third strongest). Trade-weighted index 115.8 against 115.6 on Monday, and 115.6 six months ago. Three-month interbank 8 7/16 per cent (12½ per cent six months ago). Annual inflation 6.8 per cent (unchanged from previous month) — The guilder had a slightly easier tone at the Amsterdam fixing, losing ground to four members of the EMS. The D-mark rose to Fl 1.1122 from Fl 1.1109; the Italian lira to Fl 20.03 per 100 lira from Fl 19.98; and the Irish punt to Fl 3.84 from Fl 3.8360.

THE POUND SPOT AND FORWARD

May 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8275-1.8360	1.8325-1.8335	0.27-0.37c dis	-2.09	0.68-0.78dis	-1.59
Canada	2.2475-2.2575	2.2560-2.2570	0.50-0.60c dis	-2.92	1.33-1.43dis	-2.45
Nethlnd.	4.63-4.68	4.65¾-4.66¾	1½-1¼c pm	4.19	5¼-4¾ pm	4.29
Belgium	78.75-79.45	79.00-79.10	23-33c dis	-4.25	62-72 dis	-3.39
Denmark	14.13½-14.22½	14.16-14.17	9¼-10¼ore dis	-8.15	20¾-22¾dis	-6.04
Ireland	1.2056-1.2150	1.2110-1.2120	0.65-0.78p dis	-7.08	1.96-2.13dis	-6.75
W. Ger.	4.16½-4.20½	4.18-4.19	1⅞-1⅝pf pm	4.65	4¾-4¼ pm	4.30
Portugal	127.00-128.50	127.35-127.85	110-465c dis	-27.04	325-1025dis	-21.16
Spain	186.00-187.50	186.30-186.50	65-95c dis	-5.15	215-250 dis	-4.99
Italy	2,316-2,333	2,321-2,323	21-24 lire dis	-11.63	62-66 dis	-11.02
Norway	10.80-10.85	10.83-10.84	9¼-10¼ore dis	-10.66	14⅞-16 dis	-5.70
France	10.88-10.96	10.90¾-10.91¾	8¾-10¾c dis	-10.72	24½-26½dis	-9.35
Sweden	10.47-10.52	10.49½-10.50½	¼ore pm-⅛ dis	—	⅞-⅝ pm	0.17
Japan	425-431	426½-427½	2.40-2.15y pm	6.39	6.45-6.15 pm	5.90
Austria	29.40-29.65	29.43-29.48	14-10gro pm	4.89	34-27 pm	4.14
Switz.	3.48½-3.51½	3.49¾-3.50¾	3¼-2⅞c pm	10.71	8¼-7¾ pm	9.14

Belgian rate is for convertible francs. Financial franc 86.20-86.30. Six-month forward dollar 1.20-1.30c dis, 12-month 1.90-2.05c dis.

THE DOLLAR SPOT AND FORWARD

May 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8275-1.8360	1.8325-1.8335	0.27-0.37c dis	-2.09	0.68-0.78dis	-1.59
Ireland†	1.5110-1.5205	1.5150-1.5165	0.65-0.55c pm	4.74	1.98-1.83 pm	5.02
Canada	1.2285-1.2325	1.2320-1.2325	0.08-0.11c dis	-0.93	0.25-0.29dis	-0.88
Nethlnd.	2.5340-2.5450	2.5390-2.5410	1.42-1.32c pm	6.48	3.83-3.73 pm	5.96
Belgium	43.03-43.17	43.12-43.14	4-7c dis	-1.53	15-19 dis	-1.58
Denmark	7.7100-7.7825	7.7100-7.7130	3¾-4ore dis	-6.02	8½-9 dis	-4.53
W. Ger.	2.2740-2.2950	2.2820-2.2830	1.28-1.24pf pm	6.62	3.37-3.32 pm	5.86
Portugal	69.00-70.00	69.50-69.75	50-225c dis	-23.70	150-525dis	-19.39
Spain	101.60-102.15	101.70-101.90	20-28c dis	-2.83	80-95 dis	-3.44
Italy	1,264-1,273	1,266½-1,267½	9½-11 lire dis	-9.71	29-31 dis	-9.47
Norway	5.8985-5.9255	5.8990-5.9010	3.90-4.30ore dis	-8.33	6.10-6.50dis	-4.27
France	5.9360-5.9850	5.9500-5.9550	3¾-4¼c dis	-8.06	11¼-12¼dis	-7.88
Sweden	5.7170-5.7310	5.7170-5.7190	1.10-0.95ore pm	2.15	2.55-2.40 pm	1.73
Japan	232.40-234.40	232.70-232.80	1.68-1.60y pm	8.45	4.38-4.28 pm	7.44
Austria	16.03-16.09½	16.05½-16.06½	10¼-9gro pm	7.19	24¾-21¼ pm	5.66
Switz.	1.9020-1.9130	1.9085-1.9095	2.10-2.02c pm	12.95	5.10-5.02 pm	10.60

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

May 11	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.1	-33.2
U.S. dollar	111.7	-6.1
Canadian dollar	86.8	-18.7
Austrian schilling	119.0	+26.5
Belgian franc	96.0	-1.3
Danish kroner	85.4	-12.1
Deutsche mark	125.5	+48.6
Swiss franc	149.5	+99.2
Guilder	115.8	+21.9
French franc	80.0	-14.4
Lira	54.5	-58.3
Yen	139.2	+33.8

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 11	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.622650	0.570571
U.S. $	12	1.14220	1.04671
Canadian $	15.16	—*	1.28651
Austria Sch.	6¼	18.3677	16.7997
Belgian F.	14	49.2431	45.0452
Danish Kr.	11	8.85433	8.08062
D mark	7½	2.60216	2.38305
Guilder	8	2.89662	2.65027
French Fr.	9½	6.79723	6.21747
Lira	19	1446.88	1323.83
Yen	5½	267.617	243.413
Norwgn. Kr.	9	6.75154	6.17508
Spanish Pta.	8	116.335	106.587
Swedish Kr.	10	6.54138	5.98458
Swiss Fr.	5½	2.17680	1.99346
Greek Dr'ch.	20½	70.6279	64.7234

* C$/SDR rate for May 10: 1.39887.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.0452	+0.78	+1.07	±1.5440
Danish Krone	8.18382	8.08062	-1.26	-0.97	±1.6428
German D-Mark	2.41815	2.38305	-1.45	-1.16	±1.1097
French Franc	6.19564	6.21747	+0.35	+0.64	±1.3743
Dutch Guilder	2.67296	2.65027	-0.85	-0.56	±1.5069
Irish Punt	0.686799	0.689306	+0.37	+0.66	±1.6689
Italian Lira	1305.13	1323.83	+1.43	+1.43	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.
For Sterling/ECU rate see CURRENCY RATES table.

OTHER CURRENCIES

May 11	£	$		£ Note Rates
Argentina Peso	25,715-25,765†	14,000-14,050†	Austria	29.30-29.60
Australia Dollar	1.7185-1.7205	0.9375-0.9380	Belgium	85.80-86.80
Brazil Cruzeiro	289.37-290.37	157.57-158.35	Denmark	14.10-14.24
Finland Markka	8.165-8.177	4.4580-4.4600	France	10.86-10.96
Greek Drachma	111.759-115.171	61.95-62.05	Germany	4.16¼-4.20½
Hong Kong Dollar	10.56½-10.57½	5.7620-5.7670	Italy	2295-2345
Iran Rial	147.60*	80.50*	Japan	428-435
Kuwait Dinar (KD)	0.52185-0.52285	0.2848-0.2850	Netherlands	4.63-4.67
Luxembourg Fr.	79.00-79.10	43.12-43.14	Norway	10.78-10.88
Malaysia Dollar	4.1825-4.1925	2.2815-2.2845	Portugal	125½-131½
New Zealand Dlr.	2.3605-2.3645	1.2870-1.2880	Spain	180½-190½
Saudi Arab. Riyal	6.2870-6.2960	3.4300-3.4320	Sweden	10.44-10.54
Singapore Dollar	3.8125-3.8225	2.0800-2.0830	Switzerland	3.48-3.52
Sth. African Rand	1.9275-1.9285	1.0515-1.0520	United States	1.82½-1.84½
U.A.E. Dirham	6.7280-6.7365	3.6715-3.6730	Yugoslavia	88-101

† Now one rate. * Selling rate.

EXCHANGE CROSS RATES

May 11	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.833	4.185	427.0	10.913	3.503	4.658	2322.	2.257	79.05
U.S. Dollar	0.546	1.	2.283	233.0	5.953	1.911	2.541	1267.	1.231	43.13
Deutschemark	0.239	0.438	1.	102.0	2.608	0.837	1.113	554.8	0.539	18.89
Japanese Yen 1,000	2.342	4.293	9.801	1000.	25.56	8.203	10.91	5438.	5.285	185.1
French Franc 10	0.916	1.680	3.835	391.3	10.	3.210	4.268	2128.	2.068	72.44
Swiss Franc	0.286	0.523	1.195	121.9	3.116	1.	1.330	663.0	0.644	22.57
Dutch Guilder	0.215	0.394	0.899	91.68	2.343	0.752	1.	498.6	0.484	16.97
Italian Lira 1,000	0.431	0.789	1.802	183.9	4.700	1.508	2.006	1000.	0.972	34.04
Canadian Dollar	0.443	0.812	1.855	189.2	4.836	1.552	2.064	1029.	1.	35.03
Belgian Franc 100	1.265	2.319	5.294	540.2	13.80	4.431	5.892	2937.	2.855	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 11)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 7/16	offer 14 9/16	bid 14 5/16	offer 14 7/16

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12⅞-13	15-15¼	15½-16½	8⅜-8⅞	¼-⅜	8¼-8⅜	20-25	18½-21½	15¼-16¼	14¾-15¼	5⅞-6⅛	20⅞-21¼
7 days' notice	12¾-13	14⅞-15⅛	15½-16½	8⅝-8⅞	⅞-1	8⅜-8½	21-24	21⅞-24	15-17½	14¾-15¼	6⅜-6½	20¾-21⅛
Month	13-13⅛	14 7/16-14 9/16	15 [illegible]	8½-8¾	2⅜-2½	8½-8⅝	21¾-22¾	23½-24½	16¼-17¼	14 [illegible]	6 [illegible]	20⅞-21¼
Three months	13-13⅛	14⅜-14⅝	15 [illegible]	8½-8⅝	3 [illegible]	8 [illegible]	21¾-22¾	23¾-24⅝	15½-16½	14⅝-14¾	6⅞-7	20⅜-20⅝
Six months	13 [illegible]	14¼-14½	15⅜-15¾	8 [illegible]	4¼-4⅜	8⅜-8½	21½-22½	23⅝-24	16-16½	14 [illegible]	6 [illegible]	19-19⅜
One Year	13 [illegible]	14⅛-14⅜	15⅝-16	8½-8¾	4 [illegible]	8¼-8⅜	19½-20½	23⅛-24	15½-16	14 [illegible]	6 [illegible]	17½-17⅞

SDR linked deposits: one month 13-13⅜ per cent; three months 12⅞-13¼ per cent; six months 12⅞-13¼ per cent; one year 12½-12⅞ per cent.

ECU linked deposits: one month 13 11/16-14 1/16 per cent; three months 13 11/16-14 1/16 per cent; six months 13½-13⅞ per cent; one year 13 [illegible]-13 [illegible] per cent.

Asian $ (closing rates in Singapore): one month 14 11/16-14 13/16 per cent; three months 14 7/16-14 9/16 per cent; six months 14 5/16-14 7/16 per cent; one year 14⅛-14¼ per cent. Long-term Eurodollar two years 14½-14⅝ per cent; three years 14⅝-14⅞ per cent; four years 14¾-15 per cent; five years 14⅞-15⅛ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.35-14.45 per cent; three months 14.15-14.25 per cent; six months 14.05-14.15 per cent; one year 14.00-14.10 per cent.

MONEY MARKETS

UK rates little changed

UK clearing bank base lending rate 13 per cent (since March 12)

UK interest rates showed little overall change yesterday as the market awaited further developments in the Falkland Islands crisis. However the market remained fairly bullish, hoping for a fall in rates once *conditions return to normal*. The Bank of England forecast a shortage of £100m in the money *market, with factors affecting the* market including bills maturing in official hands and a net take up of Treasury bills — £50m and Exchequer transactions — £100m. These were partly offset by a fall in the note circulation of £40m.

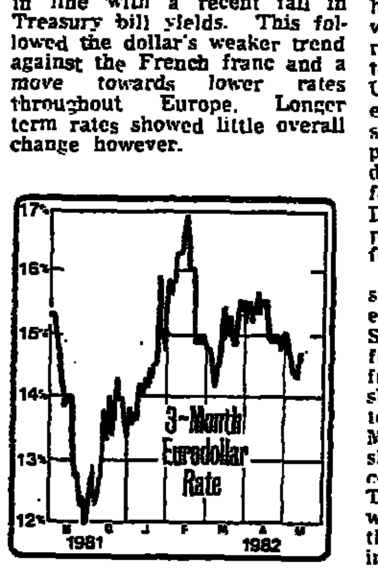
The Bank's reluctance to lower its dealing rates in the light of current uncertainty coupled with *discount houses showing a desire* to retain bills on the possibility of lower rates in the future were *probably factors behind the Bank* giving only £17m of assistance in the morning despite a revised forecast of a shortage of £250m.

The morning help comprised purchases of eligible bank bills, £1m in band 1 (up to 14 days) at 13¼ per cent, *£10m in band 2* (15-33 days) at 13 per cent and £6m in band 3 (34-63 days) at 12⅞ per cent.

Assistance in the afternoon *totalled £201m, but only £60m of* this was made up of outright purchases. These comprised £2m of eligible bank bills in band 1 at 13¼ per cent, £40m in band 2 at 13 per cent and £18m in band 3 at 12⅞ per cent. The remainder of the help was made up with a *sale and repurchase agreement* on £141m of bills at 13 per cent, unwinding on Friday. In the interbank market overnight money opened at 12½-12¾ per cent and rose to 12¾-13 per cent and then 14-14½ per cent on the revised shortage. Rates continued to climb, touching 15-16 per cent in the afternoon.

In New York Fed funds rose *from an early level of 14½ per* cent to 15¼ per cent. Trading was extremely light with rates *confined to a narrow band*, awaiting further developments as the *U.S. Budget deficit is pushed* through Congress.

In Paris call money fell to 16⅜ per cent from 16½ per cent in line with a recent fall in *Treasury bill yields*. This followed the dollar's weaker trend against the French franc and a *move towards lower rates throughout Europe*. Longer term rates showed little overall change however.



EUROCURRENCIES

Eurodollars firmer

Euro-dollar rates were slightly firmer than levels seen on Monday but finished below the highest level of the day. There was some confusion as to how rates would react in the short term with last week's fall in U.S. money supply countered by expectations this Friday of a small rise. Higher U.S. rates pushed the dollar to a wider discount against sterling in the *forward market and lower Euro-*D-mark rates ensured a higher premium for the D-mark in the forward market.

Euro-sterling rates were steady while Euro-Swiss francs eased slightly, widening the Swiss franc's premium in the forward market. Euro-French franc rates were higher although short term domestic rates fell to the lowest level since mid-March, and the French franc showed a slightly higher *discount in the forward market*. The Belgian franc was sharply weaker in forward trading while the Italian lira showed a small improvement.

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	15-15¼
Treasury bills (13-week)	12.30
Treasury bills (26-week)	12.28

GERMANY

Lombard	9.00
Overnight rate	9.025
One month	9.225
Three months	9.125
Six months	8.90

FRANCE

Intervention rate	16.0
Overnight rate	16.375
One month	16.125
Three months	16.1875
Six months	15.4375

JAPAN

Discount rate	5.5
Call (unconditional)	7.09375
Bill discount (three-month)	7.15625

LONDON MONEY RATES

May 11 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12½-16	12¾-13	—	—	13-13⅛	12½-13	—	—	—
2 days notice	—	—	13⅛-12⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¾-13½	12¾-13	—	—	13⅛	12⅝-12¾	—	—	—
One month	13⅛-13	13-13⅛	13	13⅝-13¼	13	13¼-13⅜	12⅝-12¾	12[illegible]	12[illegible]-12[illegible]	13½
Two months	13⅛-12[illegible]	13-13⅛	—	13½-13⅛	13[illegible]	13⅜	12⅝	12[illegible]	12[illegible]	13[illegible]
Three months	13[illegible]-12[illegible]	13-13⅛	13	13½-13⅛	13⅛	13⅜	12½	12[illegible]	12[illegible]-12[illegible]	13[illegible]
Six months	13[illegible]-12[illegible]	13[illegible]-13[illegible]	13⅛	12¾-12½	13⅛	—	—	—	12[illegible]-12¼	13[illegible]
Nine months	13[illegible]-12[illegible]	13[illegible]-13[illegible]	—	13½-13⅛	13[illegible]	—	—	—	—	—
One year	13[illegible]-12[illegible]	13[illegible]-13¼	13⅛	13⅜-13	13[illegible]	—	—	—	—	—
Two years	—	—	13[illegible]	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three days 14 per cent; four years 14¼ per cent; five years 14¼ per cent. ♦Bank bill rates in table are *buying rates for prime paper. Buying rates for four-month bank bills 12⅞ per cent*; four months trade bills 13[illegible] per cent.

Approximate selling rates for one month Treasury bills 12[illegible] per cent; two months 12[illegible]-12[illegible] per cent; three months 12[illegible] per cent. Approximate selling rate for one month bank bills 12[illegible]-12⅞ per cent; two months 12[illegible]-12⅞ per cent *and three months 12[illegible]-12[illegible] per cent; one month trade bills 13¼ per cent; two months 12[illegible] per cent; three months* 12[illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from May 1, 1982. London and Scottish Clearing Bank Rates for lending 13 per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Treasury Bills: Average tender rates of discount 12.6180 per cent.

Certificates of Tax Deposit (Series 5) 13¼ per cent from March 8. Deposits withdrawn for cash 11 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

مكتبة الجامعة

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.72	12.30		—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0302

Multi Gwth. May 6	220241	—		—
Op. 5 Prop. A May 6	273.8	[illegible]		—
Op. 5 Equity May 6	216.2	227.6		—
Op. 5 Hy. May 6	191.5	201.6		—
Op. 5 Man. May 6	232.7	[illegible]		—
Op. 5 Dep. May 6	167.4	176.3		—
Op. In. B May 6	118.6	124.9		—
Op. 5 Inc. May 6	110.0	116.7		—
Op. In M May 6	120.4	[illegible]		—
U.S.SF 1. May 6	105.1	110.7		—
O & G Prp. Fd. May 6	96.7	101.8		—
Pens. Pr. April 30	246.3	267.7		—
Pens.Pr Co. April 30	180.0	189.5		—
Pens. Eq. Ac. April 30	545.7	574.5		—
Pens. Eq. Cp. April 30	417.4	439.4		—
Pens. Fxd. Ac. Apr. 30	263.3	277.2		—
Pens. Fxd. Cp. Apr. 30	201.4	212.0		—
Pens.Man.Ac. Apr. 30	515.0	[illegible]		—
Pens.Man.Cp. Apr. 30	279.2	294.0		—
Pens. Dp. Ac. April 30	227.8	240.4		—
Pens. Dp. Cp. April 30	181.9	191.5		—

Britannia Funds—Series A

Am.Smlr.Co's. May 5	96.7	91.3		—
Am.Spec.Sits. May 5	106.4	112.1		—
Commodity May 5	65.0	68.4		—
Extra Inc. May 5	89.3	94.1		—
Far East May 5	[illegible]	[illegible]		—
Fin. Secs. May 5	105.7	111.3		—
Gold & Gen. May 5	54.0	[illegible]		—
Growth May 5	90.8	[illegible]		—
Inc. & Growth May 5	105.6	111.2		—
Int. Growth May 5	92.7	97.6		—
Japan Prfl. May 5	78.2	82.4		—
Minerals May 5	64.5	67.9		—
Nat. Hn. Inc. May 5	102.5	107.9		—

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Adig Investment

Albany Fund Management Limited

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

Eurotax Investments Ltd.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International

Fleming Japan Fund S.A.

Frankfurt Trust Investment—GmbH

Free World Fund Ltd.

G. T. Management (U.K.) Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Grenville Management Limited

Guinness Mahon Fd. Mgrs. (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

HSI Samuel Investment Mgmt. Intnl.

I.C. Trust Managers Ltd.

IGF Management Services Inc.

N.V. Interbeheer

International Bond Trust

International Pacific Inv. Mgmt. Ltd.

Investment Advisors, Inc.

Invicta Investment Management

Jardine Fleming & Co. Ltd.

Kleinwort Benson Group

Korea International Trust

The Korea Trust

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

Louis Dreyfus Commodity Fund

M & G Group

Management International Ltd.

Midland Bank Tst. Corp. (Jersey) Ltd.

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Northgate Unit Tst. Mgrs. (Jersey)

Pacific Basin Fund

Phoenix International

Quest Fund Man. (Jersey) Ltd.

RBC Investment Managers Limited

Ramirco Managers Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Save & Prosper International

Schroder Mngt. Services (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Schroder Unit Trust Mgrs. Intl. Ltd.

Sentry Assurance International Ltd.

Signal Life Assurance Co. Ltd.

Singer & Friedlander Ldn. Agents.

Strategic Metal Trust Mngrs. Ltd.

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tyndall Group

M. G. Tyrrell & Co. (Jersey) Ltd.

Union-Investment-Gesellschaft mbH

V.C.A. Financial Management Ltd.

Vanbrugh Fund Mngmt. Intl. Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ♦♦ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

1982 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's
40	20	Anglo-Dominion	32	......	—	—	—
16½	13	Burma Mines 10p	14xd	......	0.55	♦	5.6
130	35	Colby Res. Corp.	60	......	—	—	—
292	210	Cons. Murch. 10c.	225	+5	Q60c	1.9	14.2
8	5½	‡‡Expicura Gold	6	......	—	—	—
105	65	Highwood Res.	65	–10	—	—	—
255	165	Northgate C$1	205	......	—	—	—
468	412	R.T.Z.	438	–16	16.0	2.1	5.3
£108½	£93½	Do.9½%Cv.Ln.'95-2000	£103½	–1½	Q9½%	30.0	f9.5
20	12	Sabina Inds. C$1	17	......	—	—	—
44	27	‡Southwest C. 10p	40	......	—	—	—
500	270	Tara Exptn. $1	325	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value

§5 Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	41	......	**IRISH**		
Bertrams	17#	......	Conv. 9% '80/82	£96¼	+¼
Bdg'wtr. Est. 50p	412	......	Nat. 9¾% 84/89	£70½	+¼

[illegible]

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½		
Barclays Bank	42	Ladbroke	15	**Property**	
Beecham	21	Legal & Gen.	19	Brit. Land	7½
Blue Circle	46	Lex Service	10	Cap. Counties	10
Boots	19	Lloyds Bank	42	Land Secs.	28
Bowater	23	"Lofs"	6½	MEPC	20
Brit. Aerospace	27	London Brick	7	Peachey	14
B.A.T.	38	Lucas Inds.	20	Samuel Props.	11
Brown (J.)	7	"Mams"	12	Town & City	3½
Burton Ord.	15	Mrks. & Spncr.	22		
Cadburys	9	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	7	Brit. Petroleum	26
Debenhams	7	Nat. West. Bank	30	Burmah Oil	10
Distillers	15	P & O Dfd.	13	Charterhall	6
Dunlop	6½	Plessey	32	KCA	14
Eagle Star	31	Racal Elect.	35	Premier	6
F.N.F.C.	4	R.H.M.	6½	Shell	30
Gen. Accident	26	Rank Org. Ord.	20	Tricentrol	22
Gen. Electric	65	Reed Intnl.	26	Ultramar	38
Glaxo	42	Sears	6		
Grand Met.	17	Tesco	5½	**Mines**	
G.U.S. 'A'	65	Thorn EMI	42	Charter Cons.	25
Guardian	25	Trust Houses	11	Cons. Gold	45
G.K.N.	15	Tube Invest.	13	Lonrho	7
Hawker Sidd.	30	Turner & Newall	11	Rio T. Zinc	42
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Wednesday May 12 1982

CU slips into loss after £26m winter claim

By Eric Short

COMMERCIAL UNION, one of the UK's largest insurance groups, has paid out £26m in claims arising from the severe winter in Britain and the U.S. Of this £21m has been paid since the New Year. Claims in the UK have totalled £16m.

This pay-out, which excludes bad weather claims on its motor business, was a major factor in CU recording a small pre-tax loss of £1.7m in the first quarter to March 31, compared with a profit of £18.4m in the first quarter of last year.

Mr Cecil Harris, CU's chief executive, said, however, that the group's underlying position was sound and the deterioration in results was solely because of the weather.

The group's share price rose 2p to 134p on news of the figures, which were in line with expectations.

Pre-tax losses from UK insurance companies are rare. Normally, investment income earned on premiums received and reserves more than offsets the underwriting losses — the gap between premiums received in the period and claims and expenses.

But the winter sent CU's worldwide underwriting losses soaring from £25.2m to £63.6m in the first quarter. The 40 per cent increase in investment income in the period, to £56.4m, failed to cover the higher underwriting losses.

General Accident last week also reported a pre-tax loss in its first quarter because of the winter. Other insurance groups could show similar first-quarter losses.

Adverse weather claims in the UK were particularly heavy in the West Country and in Scotland, where CU has 20 per cent of its UK business. As well as the usual damage of burst pipes, the group reported large claims caused by factory roofs unable to withstand the weight of snow. The domestic account insuring houses recorded a loss of more than £4m in the period and the industrial account showed a loss of more than £2m.

Damage in the U.S. came not only from bad weather in the north-east, where CU has had a long-established presence, but also from storms in the southern states, where CU expanded recently.

Weather

MOSTLY DRY and sunny. Dull and misty near east coasts. Cloud and some rain in SW England and Channel Islands.

London, Midlands, N, NW England, N Wales, Lake District
Dry, sunny periods. Max 19C (66F).

SE England, East Anglia, NE England, Borders, E, NE Scotland
Dull and misty, drizzle near coasts. Sunny intervals developing inland. Max 17C (63F).

S England, S Wales
Mainly dry, cloudy at times. Max 17C (63F).

Channel Islands, SW England
Cloudy, rain in places. Wind locally gale force. Max 15C (59F).

Isle of Man, SW, W Scotland, Central Highlands, N Ireland
Dry, sunny periods. Max 17C (63F).

NW Scotland, Orkney, Shetland
Dry, sunny periods. Max 15C (59F).

Outlook: Little change.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
				L. Ang.†	S	11	52
Ajaccio	S	17	63				
Algiers	C	17	63	Luxmbg.	S	15	59
Amsdm.	S	15	59	Luxor	S	33	91
Athens	S	24	75	Madrid	F	20	68
Bahrain		—	—	Majorca	S	19	66
Barclna.	S	18	64	Malaga	S	19	66
Beirut	F	27	81	Malta	F	20	68
Belfast	S	15	59	M'chstr.	F	16	61
Belgrd.	S	31	88	Melbne.		—	—
Berlin	C	14	57	Mx. C.†		—	—
Biarritz	S	25	77	Miami†	S	23	73
Bmghm.	S	16	61	Milan	S	21	70
Blackpl.	S	15	59	Montrl.†	S	8	46
Bordx.	F	25	77	Moscow	R	16	61
Boulgn.	S	17	63	Munich	F	14	57
Bristol	S	17	63	Nairobi	C	21	70
Brussels	S	16	61	Naples	F	19	66
Budpst.	F	14	57	Nassau		—	—
Cairo	S	22	72	Nwcstl.	F	11	52
Cardiff	S	16	61	N York†	S	12	54
Cas'b'ca	S	19	66	Nice	S	18	64
Cape T.	S	19	66	Nicosia		—	—
Chicg.†	S	18	64	Oporto	R	12	54
Cologne	F	15	59	Oslo	S	12	54
Cpnhgn.	S	11	52	Paris	S	16	61
Corfu	F	27	81	Perth	C	22	72
Denver†	R	5	41	Prague	C	9	48
Dublin	S	14	57	Reykjvk.	C	5	41
Dbrvnk.	F	23	73	Rhodes	S	25	77
Ednbgh.	C	7	45	Rio J'o†		—	—
Faro	S	20	68	Rome	S	18	64
Florence	F	20	68	Salzbrg.	S	14	57
Frankft.	F	13	55	S F'cisco†	S	7	45
Funchal	C	19	66	S. Moritz		—	—
Geneva	S	16	61	Singapr.		—	—
Gibraltar	S	20	68	S'tiago†		—	—
Glasgow	F	11	52	Stckhm.	S	11	52
G'nsey	F	14	57	Strasbg.	F	16	61
Helsinki	S	13	55	Sydney		—	—
H. Kong	C	28	82	Tangier	S	21	70
Innsbrk.	F	11	52	Tel Aviv	F	31	88
Inv'ness	F	11	52	Tenerife	S	22	72
I.o Man	S	12	54	Tokyo	S	27	81
Istanbul	S	16	61	T'ronto†	C	11	52
Jersey	F	16	61	Tunis	F	19	66
Jo'burg	S	21	70	Valencia	S	20	68
L. Pims.	S	20	68	Venice	S	20	68
Lisbon	F	16	61	Vienna	C	12	54
Locarno	S	18	64	Warsaw	R	14	57
London	S	17	63	Zurich	S	14	57

C—Cloudy. F—Fair. R—Rain. S—Sunny. † Noon GMT temperatures.

FOWLER SAYS PAY OFFERS ARE 'FAIR AND REALISTIC'

Health unions step up action

BY BRIAN GROOM, LABOUR STAFF

HEALTH SERVICE workers stepped up their action against 4 to 6.4 per cent pay offers throughout the country yesterday. Strikes, overtime bans and work-to-rules were reported in many regions.

A sharp increase in industrial action is predicted by next week, and some union leaders believe the hospital service will be reduced to accident and emergency cases within a month.

Unions plan a national 24-hour strike by more than 600,000 NHS staff next Wednesday, followed by weekly national two-hour stoppages from May 27 in pursuit of their 12 per cent pay claim.

Mr Norman Fowler, Social Services Secretary, told the Commons the pay offers were "fair and realistic." He rejected a plea from Mrs Gwyneth Dunwoody, Labour's spokesman, to go to arbitration, and said it would be a "tragedy" if patients' lives were put at risk by industrial action.

Most regional action has stayed within TUC guidelines, aimed at achieving a cumulative effect in a disciplined campaign. Accident and emergency cover was being maintained.

Four unions in Liverpool yesterday threatened to strike and cut services to emergencies, unless the city's health authority agreed to reduce them to the minimum by Friday.

Pressure for militant action was underlined at a London conference of shop stewards representing 20,000 ambulance and ancillary workers in the Transport and General Workers' Union.

A majority wanted an all-out strike without emergency cover but the conference agreed to back the TUC line for the time being.

Disruption is growing because two of the three biggest unions, the National Union of Public Employees and the National and Local Government Officers' Association, have begun action this week. The Confederation of Health Service Employees began its campaign on April 26.

In the North-West, a 24-hour strike by Nupe and Cohse members disrupted Salford Royal Hospital and a skin hospital in Manchester yesterday, while an emergency-only service operated in four other Salford hospitals.

A three-day strike by 400 Nupe ancillary staff at Dulwich and St Francis hospitals in South London is in its final day.

In Northern Ireland, Nupe claimed to have reduced four hospitals to emergencies-only yesterday by a 24-hour strike in the Western Health Board area.

The union claims many hospitals in the North-east and Cumbria are reduced to accidents and emergencies only. Cohse claims to have banned non-emergency admissions in about 150 hospitals, almost half of them psychiatric units.

Hospitals "out of bounds," Page 7

Industry's costs and output prices rise at slower rate

BY ROBIN PAULEY

MANUFACTURERS' output prices and industry's raw material costs rose sharply last month, but the year-on-year rate of increase in both indices is still falling.

The Industry Department suggested last night that the battle against inflation was being won, and that exceptional factors, including the Budget and the depreciation of sterling, had distorted the underlying trend of April's figures.

The overall impression of the trend of the indices in recent months is that inflation, as measured by the prices of goods in the shops, is still moving towards single figures—and may arrive there when April's statistics are announced next week.

Industry Department figures published yesterday show that manufacturers' output prices rose by 0.75 per cent in April compared with March. This took the index for the factory gate prices of British manufactured goods up to 237.2 (1975=100).

The year-on-year increase fell from 9.5 per cent in March to 8.75 per cent in April, the fourth consecutive month the annual rate has fallen. This is the lowest annual rate of increase since the Government took office, but it is not expected to fall any further this year.

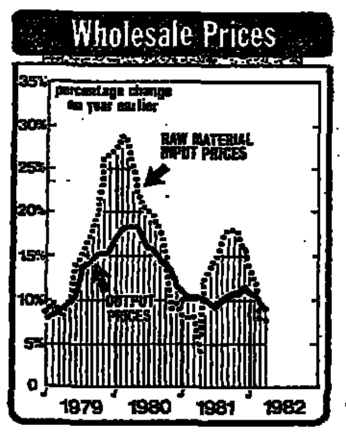
The index for industry's fuel and raw materials costs increased by 1.25 per cent last month, following a 2 per cent March fall, caused mainly by sharp falls in oil prices.

Nearly half of April's rise was due to a higher sterling price for crude oil arising from the depreciation of the pound against the dollar.

The April rise took the input price index to 238.4 (1975=100). Compared with 12 months before, however, the rate of increase fell from 8 per cent in March to 7.7 per cent in April, the lowest figure since December 1978. There is room for further significant falls, depending on the performance of sterling.

The single most important factor in the rise in the output price index was the higher price of tobacco products resulting from the Budget. Higher electricity and oil prices were the most significant influences on the inputs index.

The final seasonally-adjusted index for the volume of retail sales in March is 106.6 (1978=100), which is also the figure for the first quarter of 1982. This is 1 per cent higher than the previous quarter but the same as the first quarter of 1981, and indicates that retailers are well into their third successive static year.



First claim against Iran settled by Goodrich

By David Lascelles in New York

B. F. GOODRICH, the large U.S. tyre company, yesterday announced what it claims as the first settlement of a U.S. company compensation claim against Iran. U.S. corporations are claiming hundreds of millions of dollars from Iran for assets seized or contracts broken during the Iranian revolution and the crisis over U.S. hostages that followed.

As part of the crisis settlement, Iran agreed to set up a $1bn fund to meet compensation claims which have to be settled and approved by a nine-member tribunal in The Hague. It consists of three representatives from the U.S. and Iran and three neutrals.

Goodrich, which claimed $331,282 (£191,643) in fees for management services supplied under a technical agreement to the Kian Tyre Manufacturing Company, said it reached a settlement under which it would receive $182,250. This is one of the smallest claims lodged against Iran, But Goodrich said the tribunal told it that it was the first to receive approval.

Goodrich, which is seeking a further $2.7m in compensation on other claims against the Abadan Petrochemical Company, said it negotiated the settlement privately with Iranian negotiators in Vienna, London and The Hague, and then received the approval of the tribunal.

Companies claiming compensation from Iran include General Motors, Xerox, AT & T, Du Pont, Sedco, and Brown and Root. The U.S. Government has filed claims on behalf of 3,000 other U.S. companies and citizens whose losses totalled less than $250,000.

Money supply growth on target

BY DAVID MARSH

THE MONEY supply is growing broadly in line with the new Government targets set for this year, though loan demand from the private sector is holding up at a high level, according to the latest banking figures published yesterday.

The Bank of England said sterling M3, the broad measure of the money supply, grew by a provisional 0.5 per cent, seasonally-adjusted, in the five week banking month to mid-April.

This represented a slight slowing from the rise of 0.6 per cent in March, which was revised upwards from the original figure of 0.2 per cent. Over the first two months of the Treasury's new target period, which started in February, sterling M3 has grown around the lower end of the 8-12 per cent annual target range.

Government pleasure over the *latest figures is muted, however.* Overall lending to the private sector last month is thought to have been about £1.5bn, seasonally-adjusted. Lending is still being inflated by demand from the personal sector, where there was another sharp rise in house mortgage finance last month, according to the London clearing banks yesterday.

MONEY SUPPLY

(percentage rises)	April*	1981-81
£M3	0.5	13
M1	0	7.25
PSL2	1.25	12

* Provisional. *Source: Bank of England*

The figure is down from the very high £2.2bn in March, but still looks uncomfortably strong. The general trend of UK interest rates recently has been downwards, in line with the fall in dollar rates. But buoyant private credit demand could *bring the process to a halt,* especially if corporate borrowing starts to rise as the economy eases out of recession.

Further evidence of strong underlying demand for finance was provided yesterday by the Department of Trade. It said consumer credit granted in March rose to a record £756m seasonally-adjusted, from £691m in February, boosted particularly by loans for car purchases.

The other measures of the money supply for which the Government has set 8 per cent to 12 per cent targets for 1982-1983 showed varying performances last month. The narrow measure, M1, was hardly changed; the broad estimate of private sector liquidity, PSL2, rose 1.25 per cent, according to provisional bank figures.

The latest figures put the overall growth of sterling M3 over the 14-month target period February 1981 to April 1982 at 13 per cent at an annual rate — well above the 7 per cent to 11 target for the period.

Broker concern at bank lending, Page 8

Continued from Page 1

Navy

against any British ship or aircraft near to or in the "operations zone" and deemed a threat to national security.

At the same time, Argentina has been reducing the amount of hard news being given out about military activities, which has provoked protests from the local press.

Sea Wolf under scrutiny Continued from Page 1

defence against this type of attack. Although a contract was let in February, the new radar and tracking system for the lightweight will not be available for two to three years.

In the course of its inquiry into weapons procurement over the past few months, the defence committee has heard much criticism from industry about the operations of the Ministry of Defence. The Ministry has been accused of inefficiency, delays, and "gold plating" of contracts by adding on items, because the Services insist on always having the best and latest equipment.

Mr Geoffrey Pattie and Lord Trenchard, Ministers with responsibility for procurement who will appear before the committee this morning, originally expected to be able to answer these criticisms in public. But the sensitivity engendered by the Falklands crisis has led the Government to ask the committee to hold its session in private.

Committee hearings earlier this year produced evidence on Sea Wolf which illustrates many of the Defence Ministry's problems and industry's criticisms.

The Navy originally produced its detailed request for Sea Wolf in 1964, noting that it should be in service in 1972. It did not come into service until last year.

According to a Government memorandum, the original estimate of the GWS 25 system, *which is now in use,* was £4.8m for each double-headed unit. Costs at September 1980 prices were £10.7m each.

The Ministry says the major delaying factors were an underestimation of the technical difficulties involved (especially with the tracker and surveillance radar, TV system and software) and delays in building the Type 22 frigates for which the system was being designed.

But a memorandum from British Aerospace Dynamics, which builds the missiles (Vickers builds the launchers and Marconi most of the guidance system) notes that the key ommission was that GWS25 had no prime contractor.

Sir Ray Lygo, chairman of Dynamics, says in an acid letter to the committee that the Defence Ministery is "neither staffed nor experienced to take responsibility for complex systems of this kind and this task can only be expected to be performed properly by industry itself."

Prime Minister digs in Continued from Page 1

yesterday by Mr Michael Foot, the Opposition Leader, that Parliament should be given the opportunity to judge any UN proposals before a final Government decision was taken.

Mrs Thatcher rejected the plea, and said the Government would take responsibility for any decision. Mr Foot later called for an emergency Commons debate on the issue tomorrow.

The key time for Mrs Thatcher will come if the UN Secretary-General produces a deal acceptable to Argentina.

The view at Westminster is that Mr Pym will press for a deal. He is in a strong position, as was shown last Friday when he indicated that Britain would have accepted the U.S.-Peruvian plan, which already involved concessions.

There are clear signs of unease among Tory MPs about continuation of negotiations and about the concessions already on offer and under discussion.

Ironically, the most outspoken comment so far has come from Mr Eric Ogden, the maverick Social Democrat MP for Liverpool-West Derby, who, to vocal support from some Tories, accused the Government of abandoning the principles of unconditional Argentine withdrawal, restoration of British administration and the islanders' self-determination.

The row over the media coverage of the Falklands crisis continued in the Commons, when some Tories described the BBC's reports as "treacherous, odious and subversive."

Mrs Thatcher said she shared "the deep concern" expressed about some BBC programmes, and urged the public to phone or write to the BBC.

Mr Foot and some Labour MPs defended the BBC and attacked the Sun and the Daily Mail. Later leading Social Democrat and Liberal MPs put a motion regretting "the intemperate attacks" by the Prime Minister on the BBC.

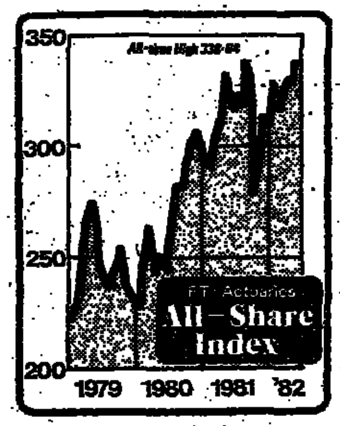
Mr George Howard, chairman of the BBC, and Mr Alisdair Milne, the director-general designate, have been invited to attend today's meeting of the Tory Backbench Media Committee.

THE LEX COLUMN

Argyll prepares for a feast

The provisional estimate for the growth in sterling M3 in the month to mid-April is a comforting 0.5 per cent. But it is difficult to read too much into the figure, which looks more like the residual of a £1.2bn seasonal adjustment than anything else. Meanwhile, demand for funds from manufacturers remains depressed — just as well given the strength of borrowing by consumers. The amount of hire purchase credit arranged in March reached an all-time high.

Index fell 5.4 to 585.1



Argyll / Allied

The plan by Argyll Foods to buy Allied Suppliers for £101m, effectively through a share tender, is bold both in scale and timing. The number of Argyll shares in issue will be more than trebled; and the flotation will take place against the backdrop of two limited wars, one in the South Atlantic and the other in grocery prices (Tesco is due to fire the first shots on Monday). If neither conflict escalates too alarmingly, institutions may be seeking a home for their abundant, and still growing, cash flows.

Present Argyll shareholders would suffer a limited dilution in earnings. But looking further ahead, their company will have something to work on to produce future growth. And here the deal is more in their favour, with an increase in net tangible assets per share of at least 25 per cent. Argyll's aim is to improve the 1.5 per cent net margin at Allied to above 2.5 per cent over the next two years.

Are the terms attractive to outside investors? At the 85p *minimum tender price,* the shares would be standing on a p/e of 14.3 and at the 100p maximum on 15.6, fully taxed. This is much in line, for instance, with Kwiksave, and the prospective yield—of between 5.3 per cent and 6 per cent—is a support. But the combined Argyll/Allied group will have less room for mistakes than the established multiples, since gearing will be quite high. Net tangible assets, following a revaluation, might stand at about three-quarters of net debt. So the striking price *is likely to be at the lower* rather than higher end of the indicated range.

Sears Holdings

Sears Holdings has at last pushed its profits through the £100m level but growth is *still* not fast enough for the group to shake off its mature and defensive image. For the year to January, profits before tax were only 4.3 per cent higher at £104m.

Non-trading items were admittedly lower by £3m, but the trading figures were flattered by the gradual withdrawal from engineering, which reduced losses but resulted in extraordinary debits of around £19m. So, with the UK shoe shops making a slightly lower contribution, the underlying advance was small.

On the acquisitions front, Sears is telling a very different story. It has lost none of its old flair for turning round problem companies. Wallis Fashion, for example, swung from a loss of £2.4m to a contribution of £1.6m. Most impressive of all is the Butler Shoe purchase in the U.S., which chipped in £1.5m after gross funding costs in its first year. Sears' balance sheet sports gross liquid funds of almost £100m and the internal spending budget is not onerous — the expansion of Butler can be financed from its cash flow. With the shares yielding 5.3 per cent at last night's price of 69p, the market is expecting more *takeover action.* Empire Stores and Great Universal must certainly have taken note.

Commercial Union

The prospect of a first quarter loss from Commercial Union would have seemed very far-fetched only six months ago. But, after last week's disastrous figures from General Accident, a *shortfall of only £1.7m pre-*tax was almost cause for relief and the shares finished 2p higher at 134p.

CU estimates that weather damage cost £21m more than last year, *adjusting for volume* growth and inflation. This is probably a conservative figure since, for example, the motor account has been excluded from calculations. So it comfortably covers the *swing from last* year's first quarter profit of £18.4m pre-tax.

But, after allowing for the strong growth in investment income, there has been a significant underlying deterioration. The operating ratio in Canada was 128.7 per cent, bad enough for CU to consider radical surgery there. In the U.S. and the UK, pressure on commercial and industrial rates is still mounting and any recovery in personal lines looks tenuous at best. After CU's recent largesse to shareholders, it is no surprise to se a yield of 12.6 per cent on the equity.

Costain

Costain is going through a rather awkward phase. Its investments in mining and property will not come properly on stream for another year or two, and for the moment profits—£48m pre-tax in the year to Decemb—remain on a plateau.

To generate £5.4m more profit—making up the ground lost in 1980—Costain needed significant extra turnover. International contracting volume was well ahead, and Australian mining began to take off (despite a strike). Construction activity in the UK increased by a quarter.

UK civil engineering margins, however, deteriorated during 1981, and competition has tightened further in the last three or four months. Costain has orders enough to occupy it well into 1983 and the group is not an enthusiastic bidder at current tender prices.

The 270p share price, giving a yield just below 6 per cent, does not look much beyond the rather uninspiring prospect for *1982 and 1983 of profits inching* ahead as extra turnover is taken on at rather thinner margins.

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